

COURT FILE NO. 1703 12327

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON



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 ARRANGEMENT OF 667402 ALBERTA
LTD., 18512398 ALBERTA LTD., 816956 ALBERTA LTD., 1371047 ALBERTA
LTD., 1919209 ALBERTA LTD. AND CANADA NORTH GROUP LP HOLDINGS
LTD.

DOCUMENT **ORDER APPROVING 726 SETTLEMENT AND VESTING TITLE (CONTESTED
CAMP ASSETS)**

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

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File #204-196164
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DATE ON WHICH ORDER WAS PRONOUNCED: **October 1, 2019**

LOCATION OF HEARING: **Edmonton, Alberta**

NAME OF JUSTICE WHO MADE THIS ORDER: **The Honourable Mr. Associate Chief Justice
Nielsen**

UPON THE APPLICATION of Ernst & Young Inc. (the "Monitor"), in its capacity as the Court-appointed Monitor of 667402 Alberta Ltd., 18512398 Alberta Ltd., 816956 Alberta Ltd., 1371047 Alberta Ltd., 1919209 Alberta Ltd. and Canada North Group LP Holdings Ltd. (collectively the "Applicants") for an Order approving the Settlement Agreement and Release, as described in the Monitor's 25th Report, between the Monitor, Canadian Western Bank ("CWB") and 726 Remote Accommodations Ltd., 726 Modular Finance Ltd. and Reliant Asset Management, LLC (jointly "726"), dated effective as at September 29, 2019 (the "726 Agreement"), and vesting in 726 the Applicants' and any creditors or other persons claiming through the Applicants' right, title and interest in and to the assets described in the 726 Agreement (the "Contested Camp Assets"), amongst other relief; AND UPON HAVING READ the Initial Order dated July 5, 2017, the Amended Order Increasing the Administration Charge, etc. dated April 30, 2018 (the "Powers Expansion Order"), the Reasons for Judgment and Order (Priority of Contested Camp Assets) both dated May 14, 2019 (collectively the "Hillier Decision"), the Twenty-Fifth Report of the

Monitor (the "Report"), and the Affidavit of Service; UPON HEARING the submissions of counsel for the Monitor and any other affected parties that may be present; **IT IS HEREBY ORDERED THAT:**

DEFINED TERMS

1. Capitalized terms not defined herein shall have the meanings ascribed to them in the Initial Order of this Court in these proceedings dated July 5, 2017 (the "Initial Order").

SERVICE

2. Service of the notice of application for this Order is hereby abridged and deemed good and sufficient and this application is properly returnable as of the date of this Order.

APPROVAL OF 726 AGREEMENT

3. The 726 Agreement is commercially reasonable and in the best interests of the Applicants and its stakeholders. The 726 Agreement is hereby approved, and the execution of the 726 Agreement is hereby authorized and approved, with such further and other minor amendments as the Monitor may deem necessary and appropriate. The Monitor is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the 726 Agreement, or for the release of interest in, or where required the transfer of interest of, the Contested Camp Assets to 726.

VESTING OF PROPERTY

4. Upon the Monitor receiving the full settlement amount and any related documentation for the Contested Camp Assets from 726, as set out in the 726 Agreement, the Monitor shall deliver to 726 a filed Monitor's Certificate substantially in the form set out in Schedule "A" hereto (the "Monitor's Certificate") along with a filed copy of the final executed copy of the 726 Agreement.
5. Upon the delivery of the Monitor's Certificate, all of the Applicants' right, title and interest in and to the Contested Camp Assets described in the 726 Agreement shall vest absolutely in the name of 726, free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing:

a) any encumbrances or charges created by the Initial Order and any other Orders granted in these proceedings;

b) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system; and

for greater certainty, this Court orders that all of the registrations and encumbrances in respect of the Claims affecting or relating to the Contested Camp Assets are hereby expunged and discharged as against the Contested Camp Assets.

6. The settlement amount paid for and allocated to each of the Contested Camp Assets shall be as is set out in the 726 Agreement.

7. From and after the closing of the 726 Agreement, any and all persons with financing statements registered at the Personal Property Registry for the Province of Alberta in respect of the Applicants shall, within ten (10) days of receipt of a notice from the Monitor or the Monitor's solicitors, discharge their Claims registered at the Personal Property Registry against the serial numbered goods included as part of the Contested Camp Assets, pursuant to the 726 Agreement, and shall provide evidence of such discharge to the solicitors for the Monitor. If such party shall fail to affect such discharge within the time stipulated herein, then the solicitors for the Monitor are authorized to discharge from the Personal Property Registry any Claims registered against any of the Contested Camp Assets being released to 726.
8. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Contested Camps Assets is required for the due execution, delivery and performance by the Monitor of the 726 Agreement and this Order.
9. For the purposes of determining the nature and priority of the Claims, the settlement amount funds applicable to each of the Contested Camp Assets (to be held by the Monitor) shall stand in the place and stead of such Contested Camp Assets, and from and after the delivery of the Monitor's Certificate, all Claims and encumbrances shall attach to the applicable settlement amount for each of the Contested Camp Assets with the same priority as they had with respect to each of the Contested Camp Assets immediately prior to the closing of the 726 Agreement, as if interests in the Contested Camp Assets had not been released.
10. 726 shall, by virtue of the completion of the 726 Agreement, have no liability of any kind whatsoever in respect of any Claims against the Applicants.
11. From and after the delivery of the Monitor's Certificate, the Applicants and all persons who claim by, through or under the Applicants in respect of the Contested Camp Assets shall stand absolutely barred and foreclosed from all estate, right, title, interest, royalty, rental and equity of redemption of the Contested Camp Assets and, to the extent that any such persons remain in possession or control of any of the Contested Camp Assets, they shall forthwith deliver possession thereof to 726.
12. 726 shall be entitled to hold and enjoy the Contested Camp Assets for its own use and benefit without any interference of or by the Applicants, or any person claiming by or through or against the Applicants.
13. The Monitor is to file with the Court a copy of the Monitor's Certificate after completion of the 726 Agreement.
14. Notwithstanding:
 - (a) The pendency of these proceedings;
 - (b) Any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Applicants and any bankruptcy order issued pursuant to any such applications;
 - (c) Any assignment in bankruptcy made in respect of the Applicants, and
 - (d) The provisions of any federal or provincial statute,

the vesting of the Contested Camp Assets in 726 pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Applicants and shall not be void or voidable by creditors of the Applicants, nor shall it constitute nor be deemed to be a settlement,

fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable 726 Agreement under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

15. The Monitor, CWB, 726 and any other interested party, shall be at liberty to apply for further advice, assistance and directions as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the 726 Agreement.

MISCELLANEOUS MATTERS

16. Upon closing of the 726 Agreement, the Monitor shall, from the settlement amount paid by 726 under the 726 Agreement, remit to the County of Athabasca the sum of \$79,561.73 in compliance with paragraph 5(c) of the Order of the Honourable Mr. Justice Hillier dated August 22, 2019 approving the Bonnyville, Wabasca and Wandering River tax settlements.
17. Nothing in this Order or the 726 Agreement shall, or shall be deemed to, release or discharge 726 from claims for, or awards of, costs against 726 arising out of or related to the Hiller Decision. Nothing in this Order or the 726 Agreement shall, or shall be deemed to, prejudice, restrict or affect the positions or arguments of the Monitor, 726 or CWB in relation to the costs issues scheduled to be heard on November 6, 2019 before the Honourable Mr. Justice Hillier.
18. The Twenty-Fifth Report of the Monitor, and the activities of the Monitor outlined therein are hereby approved; provided, however, that only the Monitor in its personal capacity and only with respect to its own personal liability shall be entitled to rely upon or utilize in any such approval.
19. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Monitor and its agents in carrying out the terms of this Order. All courts, tribunals regulatory and administrative bodies are hereby respectfully requested to make such Orders as to provide such assistance to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Monitor and its agents in carrying out the terms of this Order.

"K. Nielsen"

Associate Chief Justice of the Court of Queen's
Bench of Alberta

Schedule "A"

Form of Monitor's Certificate

COURT FILE NUMBER 1703-12327

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON

Clerk's Stamp

IN THE MATTER OF THE COMPANIES'
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18512398 ALBERTA LTD., 816956 ALBERTA
LTD., 1371047 ALBERTA LTD. and 1919209
ALBERTA LTD. AND CANADA NORTH
GROUP LP HOLDINGS LTD.

DOCUMENT

MONITOR'S CERTIFICATE

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

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File No.: 204-196164

RECITALS

- A. Pursuant to an Order of the Honourable Justice K.G. Nielsen of the Court of Queen's Bench of Alberta, Judicial District of Edmonton (the "Court") dated July 5, 2017, and subsequent Orders granted by the Court thereafter, Ernst & Young Inc. was appointed as the Monitor of 667402 ALBERTA LTD., 18512398 ALBERTA LTD., 816956 ALBERTA LTD., 1371047 ALBERTA LTD. 1919209 ALBERTA LTD. and CANADA NORTH GROUP LP HOLDINGS LTD. (collectively, the "Applicants").
- B. Pursuant to an Order of the Court dated October 1, 2019, the Court approved an agreement (the "726 Agreement") between the Monitor, Canadian Western Bank ("CWB") and 726 Remote

Accommodations Ltd., 726 Modular Finance Ltd. and Reliant Asset Management, LLC (collectively "726") dated effective September 29, 2019, and provided for the vesting in 726 of the Applicants' right, title and interest in and to the Contested Camp Assets, which vesting is to be effective with respect to the Contested Camp Assets upon the delivery by the Monitor to 726 of a certificate confirming (i) the payment by 726 of the total settlement amount for the Contested Camp Assets; (ii) that the conditions to closing of the 726 Agreement have been satisfied or waived by the Monitor, CWB and 726; and (iii) the 726 Agreement has been completed to the satisfaction of the Monitor.

- C. Unless otherwise indicated herein, terms with initial capitals have the meanings as set out in the 726 Agreement.

THE MONITOR CERTIFIES the following:

1. 726 (or its nominee) has paid and the Monitor has received settlement amount for the Contested Camp Assets payable on the Closing Date pursuant to the 726 Agreement;
2. The conditions to closing as set out in the 726 Agreement have been satisfied or waived by the Monitor and 726;
3. The 726 Agreement has been completed to the satisfaction of the Monitor; and
4. This Certificate was delivered by the Monitor at _____ on _____.

Ernst & Young Inc., in its capacity as Monitor of the Applicants, and not in its personal capacity.

Per: _____

Name: Matt McCulloch

Title: