

I hereby certify this to be a true copy of the original.

M. Hodgson
for Clerk of the Court



COURT FILE NUMBER 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 CANADA
NORTH GROUP INC., CANADA NORTH CAMPS INC., CAMPCORP
STRUCTURES LTD., D.J. CATERING LTD., 816956 ALBERTA LTD.,
1371047 ALBERTA LTD. and 1919209 ALBERTA LTD.

DOCUMENT ORDER APPROVING SALE AND OTHER RELIEF

ADDRESS FOR SERVICE AND CONTACT
INFORMATION OF PARTY
FILING THIS DOCUMENT
Stephanie A. Wanke
DLA Piper (Canada) LLP
1201 Scotia Tower 2
10060 Jasper Avenue
Edmonton AB T5J 4E5
T 780.429.6822
F 780.702.4379
File No. 37060-00001

DATE ON WHICH ORDER WAS PRONOUNCED: September 26, 2017

NAME OF JUDGE WHO MADE THIS ORDER: The Honourable Justice S.D. Hillier

LOCATION OF HEARING: Edmonton, Alberta

UPON the application of Canada North Camps Inc. and 1371047 Alberta Ltd. (the "**Applicants**"); AND UPON having read the Second Report of the Monitor, Ernst & Young, (the "**Monitor**") dated September 18, 2017; the Fourth Affidavit of Shayne McCracken sworn September 18, 2017, filed; the Confidential Supplemental to the Fourth Affidavit of Shayne McCracken sworn September 18, 2017 (the "**Confidential Supplement**"), unfiled; the First Report of R.e.I. Group Inc., the Chief Restructuring Officer filed September 18, 2017; the Affidavit of Service of Colleen Pecknold to be filed; the Initial Order of the Honourable Justice K.G. Nielsen granted July 5, 2017; and the First Extension Order of the Honourable Justice S.D. Hillier granted July 27, 2017; AND UPON hearing from counsel for the Applicants, counsel for Canadian Western Bank, counsel for Business Development Bank of Canada, counsel for the Monitor IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. The time for service of the notice of application for this Order and its supporting materials is hereby abridged to time actually given and service thereof is deemed good and sufficient.

SALE OF PROPERTY

2. 1371047 Alberta Ltd. is hereby authorized to sell (the "**Sale**") the property legally described as

LOT 8
BLOCK 13A
PLAN 9021619

EXCEPTING THEREOUT ALL MINES AND MINERALS

(the "**Property**")

pursuant to the terms of the Offer to Purchase and Interim Agreement Land and Building made between 1371047 Alberta Ltd. and Terwil Holdings Inc. or Nominee (the "**Purchaser**") dated August 18, 2017 (the "**Purchase Agreement**") as attached as Exhibit "C" to the Confidential Supplement.

3. 1371047 Alberta Ltd. is hereby authorized and approved to, without further Order of this Court:

- a. agree with the Purchaser to such minor amendments to the Purchase Agreement as may be required to facilitate closing, subject to the approval of the Monitor;

- b. on closing of the Sale, to disburse the proceeds from the Sale as follows:

- i. by paying the amount owing to the City of Edmonton with respect to municipal property taxes, assessments, penalties and interest and any other overdue charge owing to the City of Edmonton with respect to the Property;
- ii. by paying the real estate commission and the GST thereon to Cushman & Wakefield as per the listing agreement with Cushman & Wakefield as attached to the Confidential Supplement as Exhibit "B", subject to any negotiated reductions;
- iii. following receipt of a security opinion by the Monitor confirming that the Mortgage registered on title by Business Development Bank of Canada ("**BDC**") as instrument 082 516 418, as amended by Amending Agreement registered as instrument on 132 239 318 (the "**BDC Security**") is valid and enforceable security against the Property, by paying the amount owing to Business Development Bank of Canada pursuant to the BDC Security;
- iv. by paying the transaction costs including the legal costs for closing the Sale and the moving costs associated with moving the operations of the business from the Property to leased space, including transferring utilities, setting up IT, labour,

fuel, daycare set up costs (fence, flooring and paint), surveillance, racking for storage, rent deposit; and

v. paying the balance to 1371047 Alberta Ltd.

(the "**Payouts**")

- c. take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Sale.
4. Any payment to BDC pursuant to paragraph 3 above is without prejudice to subsequent orders allocating costs, the Administration Charge, the Interim Lender's Charge and/or the Directors' Charge (all as defined in the Initial Order) in these proceedings among the various assets comprising the property of the Applicants, including the proceeds of the Property.
5. Upon closing of the Sale and payment of the Payouts, all of 1371047 Alberta Ltd.'s right, title estate and interest in and to the Property shall vest absolutely in the name of the Purchaser, free and clear of and from any and all security interest (whether contractual, statutory, or otherwise), hypothecs, caveats, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, 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 any encumbrances or charges created by the Initial Order.
6. 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 1371047 Alberta Ltd. and any bankruptcy order issued pursuant to any such applications; and
 - c. Any assignment in bankruptcy made in respect of 1371047 Alberta Ltd.

the vesting of the Property the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of 1371047 Alberta Ltd. and shall not be void or voidable by creditors of 1371047 Alberta Ltd., nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction 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.

APPROVAL OF SUB-LEASE

7. Canada North Camps Inc. is hereby authorized to enter into the Offer to Sub-Lease and Interim Sub-Lease Agreement dated September 5 and 6th as attached to the Confidential Supplemental to the Fourth Affidavit of Shayne McCracken sworn September 18, 2017 as Exhibit "F"



Justice of the Court of Queen's Bench