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 667402 ALBERTA LTD., 18512398 ALBERTA LTD., 816956 ALBERTA LTD., 1371047 ALBERTA LTD., 1919209 ALBERTA LTD. AND CANADA NORTH GROUP LP HOLDINGS LTD.
DOCUMENT	**MONITOR'S EIGHTEENTH REPORT** **OCTOBER 11, 2018**
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INTRODUCTION AND PURPOSE OF THE REPORT

1. On July 5, 2017, the Applicants made an application before this Honourable Court requesting certain relief under the *Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended* (the "**CCAA**") and obtained, inter alia, an Initial Order, a Stay, and the appointment of Ernst & Young Inc. ("**EYI**" or the "**Monitor**") as monitor of the Applicants.

2. Over the Course of these CCAA proceedings, the Applicants and more recently, the Monitor, have made a number of applications to this Court, which have not been outlined in this report, requesting various relief and corresponding extensions of the Stay. To date, the Monitor has filed seventeen reports with the Court and issued five unfiled Confidential Supplements in relation to its Eleventh, Twelfth, Thirteenth, Sixteenth and Seventeenth Reports. Copies of all filed Monitor's reports, materials filed by the Applicants, application materials and previous Orders of the Court can be accessed on the Monitor's website as noted in the disclaimer section of this report below.

3. The purpose of this report (the "**Eighteenth Report**") is to provide the Court and the Remaining Applicants' stakeholders with:

   a.) information in relation to the winterization efforts of the Monitor at both the HML and Wabasca Camps;

   b.) an update in regard to the results of the sale conducted by Maynards;

   c.) information in support of the Monitor's anticipated course of action in respect of Holdings' units in the Cimarron Lodge LP Limited Partnership;

   d.) new information obtained by the Monitor since the Seventeenth Report in relation to the possible Hadfield mortgage on the Wandering River property;

   e.) information and the Monitor's position in regard to the validity of the Weslease mortgages registered against 1251 Industrial Drive (Wabasca) and the Bonnyville North lands (the "**Weslease Mortgages**");

   f.) an update in relation to the property claims asserted by 726, as well as an update in relation to the priority dispute between 726 and 185;

   g.) an update in relation to the Small Wares matter from the time of the Seventeenth Report;

   h.) information and the Monitor's recommendation in relation to a pending sale of certain assets currently located at HML;

i.) an update in relation to the Monitor's actions regarding the missing assets at Monias; and

j.) information in relation to the sale of a significant number of fir access mats by 726 from the Monias camp site, and the agreement entered into by the Monitor with 726 as a result;

and to serve as support for an Order of the Court that:

k.) approves the actions of the Monitor as set out in this report, including without limitation the Monitor's consent to permit 726 to sell certain access fir mats located at Monias, which are subject to contested ownership and priority claims as between 726 and the Monitor, to an arm's length purchaser upon the terms and conditions set out in this Eighteenth Report and the Confidential Supplement to the Monitor's Eighteenth Report;

l.) provides advice and direction to the Monitor in relation to whether or not the Hadfields' claim can be accepted for review by the Monitor at this time;

m.) provides advice and direction as to whether or not the Weslease Mortgages are or continue to be valid and enforceable against the respective properties and if not, a direction that the Weslease Mortgages be discharged immediately;

n.) approves the sale of certain assets currently located at HML, the details of which are as set out in this report and the Confidential Supplement to the Monitor's Eighteenth Report; and,

o.) seals the contents of the Confidential Supplement to the Monitor's Eighteenth Report.

DISCLAIMER

4. In preparing the Eighteenth Report, the Monitor has relied upon unaudited financial information of the Remaining Applicants, the Remaining Applicants' books and records, certain financial information prepared by the Remaining Applicants and discussions with the Remaining Applicants' former management ("**Management**"). The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information provided. Accordingly, the Monitor expresses no opinion or other form of assurance on the information contained in this report or relied upon in its preparation. Future oriented financial information reported or relied on in order to prepare this report is based on Management's assumptions regarding future events; actual results will vary from forecast, and such variations may be material.

5. This report should be read in conjunction with all previously filed affidavits and reports, as well as Court Orders previously issued in these proceedings all of which, save for items directed to be sealed for confidentiality purposes, are available on the Monitor's website established for these proceedings that is located at *http://documentcentre.eycan.com/Pages/Main.aspx?SID=1410*. In addition, this report should be read in conjunction with any new materials filed with the Court by the Remaining Applicants (if any), or other parties, prior to the date set for the application as set out in this report.

6. Unless otherwise stated, all references to monetary amounts contained herein are expressed in Canadian currency. Capitalized terms used herein not otherwise defined are as defined in the previous reports of the Monitor and other materials filed in connection with these CCAA proceedings to date.

WINTERIZATION OF HML AND WABASCA CAMPS

7. Over the course of the last several weeks, as the winter weather begins to set in, the Monitor has concluded that it should proceed to winterize both the HML and Wabasca camps for a number of reasons including, but not limited to, the following:

   a.) The camps are not operating, and the Monitor does not anticipate any practical or legitimate reason that these camps will be operated by the Monitor over the winter;

   b.) The majority of the dorms are vacant as there is only camp watch on site currently, therefore, a significant costs savings with respect to utilities and other related costs could be achieved by winterizing the dorms and other buildings where possible;

   c.) Winterizing the dorms and other building will likely assist in the demobilization process going forward as dorms and other assets are sold; and

   d.) Winterizing the dorms will reduce the risk of freeze up and related damage should there be a power or utility outage/interruption for any reason over the winter.

8. Given the above, the Monitor solicited three different quotes to complete the winterization process for these locations. Two of the three quotes obtained were from external parties, not known to the Monitor, but were referred to the Monitor by one of the external consultants engaged by the Monitor to assist in selling the various camps. The other quote was from a former employee of the Applicants, who had completed the winterizations for the Applicants in the past, including both the Wandering River, and Bonnyville locations.

9. The Monitor confirmed with Management that the former employee was qualified to perform the winterization procedures at HML and Wabasca, and the quote obtained from this individual to conduct the work required was more cost effective than the other quotes obtained. As such, the Monitor engaged the former employee to winterize both of the camps.

10. The Monitor has confirmed with one of its external consultants, as well as the potential purchaser of the Alta - Fab dorms at HML (discussed below), that the winterization steps to be competed at each of the locations for all affected dorms and buildings are adequate. A detailed listing of these steps is not being provided in this report, but can be provided to any interested party on request.

11. As at the date of this report, the former employee has completed winterization at HML, and is working on Wabasca at present. All utilities will be maintained as required until such time as all winterization actions are completed, after which time, the Monitor will look to reduce utility supply accounts and related costs where possible.

12. For the Court's reference, the Monitor has confirmed with Management that all of the other camps (with the exception of HML and Wabasca) were winterized by the Applicants previously and as such, that no winterization efforts in relation to these other camps is required. This advice from Management is consistent with the other advice and information received and visual inspections conducted by the Monitor to date.

UPDATE ON MAYNARDS LIQUIDATION SALE

13. On September 12, 2018, Maynards conducted the liquidation sale of the surplus dorms, rolling stock and other assets located at the Farm. Maynards restricted the sale to an online sale only, as it was their position that an online sale only was the most effective manner in which to conduct the liquidation.

14. Attached as **Schedule "A"** to this report is a copy of the summary of the accounting in relation to the sale. As noted in Schedule "A", the total gross auction proceeds were $1,297,682.26 which is $57,682.26 above the NMG; however, the excess is insufficient to result in any additional participation payment to the Monitor on behalf of the Applicants under the NMG Proposal.

15. The Monitor confirms that it has received payment of $1,240,000.00 from Maynards in accordance with the accounting provided. The Monitor further advises that Maynards has provided a detailed breakdown of the individual sale amounts which comprise the total proceeds derived from the sale; however, this information has not been included in the attached schedule as the Monitor wishes to keep these details strictly confidential at this time.

16. The Monitor continues to work with Maynards to clear the Farm of the assets in order to facilitate vacant possession for the new purchaser of the Farm for November 1, 2018.

SALE OF HOLDINGS' UNITS IN CIMARRON LODGE LP LIMITED PARTNERSHIP ("CIMARRON LODGE LP")

17. Forthwith after the inclusion of Holdings as an Applicant to these proceedings, the Monitor and its counsel commenced discussions with the various external limited partners of the various limited partnerships which partnered with Holdings to operate a number of camps.

18. The details in this section of the report relate strictly to the investigations conducted by the Monitor and the discussions and other correspondence between the Monitor and representatives from Cimarron Camp Services Ltd. ("**Services**"), which is the other limited partner of Cimarron Lodge LP.

19. To begin, the Monitor has determined that the only physical assets contributed by and belonging to the Applicants at the site of Cimarron Lodge LP is a 6 unit ATCO Rig Camp. With the consent of Services, the Monitor added this 6 unit ATCO Rig Camp to the Maynards liquidation sale, and the unit was sold in the September sale. The proceeds from the sale of this asset will be paid to the Monitor with the other proceeds due from Maynards in due course.

20. Next, the Cimarron Lodge LP camp has not operated in several years, and is currently not operating. Services has indicated that it may attempt to reopen the camp at some point in the future provided a demand for such services arises, and also provided it can operate free from the involvement of the Applicants.

21. The Monitor has received and reviewed internal financial information in relation to Cimarron Lodge LP (attached as **Schedule "B"** to this report) , as well as confirmed with Management that there are no significant outstanding assets or other value associated with Cimarron Lodge LP currently despite what the internal records indicate. The Monitor has been advised that that these internal records have not been updated in some time (likely several years) and as such, are not reliable.

22. Services has indicated to the Monitor that 185 borrowed a significant amount of money from Cimarron Lodge LP (the Monitor understands this amount to be $248,652), and that this amount remains outstanding, but is uncollectible as a result of the CCAA proceedings.

23. The internal financial statements reported significant negative long term liabilities (i.e. receivables) due from both CNC (185) and Services in the amounts of $100,000 and $250,000 respectively. In

discussions with Services and Management, these amounts are not actually receivables due to Cimarron Lodge LP, but rather these amounts reflect previous profit share draws by both Services and CNC when the camp was operating. Services confirmed that these amounts were actually drawn by each of CNC and Services, and further indicated that these amounts should have been adjusted against the retained earnings reported in these same statements, the amount of which was significant. The Monitor believes this statement to be true given the statements reviewed, and based on its discussions with both Services and Management.

24. Given the factors noted above, it does not appear that there is any economic benefit for Holdings to continue as a limited partner in respect of this camp. It is the Monitor's intention to sell Holdings' partnership units to Services for a nominal value and that if such a sale cannot be completed for any reason whatsoever, it is the Monitor's alternative plan to issue a notice of dissolution in respect of this partnership in order to conclude Holdings' interest in this partnership.

ADVICE AND DIRECTION IN RELATION TO HADFIELD MORTGAGE ON WANDERING RIVER

25. As noted in the Seventeenth Report, a mortgage was registered by Jeff and Jackie Hadfield (the "**Hadfields**") against the title of the real property which is the site of the Wandering River Camp with an original principal amount of $1,340,000. As further noted in the Seventeenth Report, the Monitor had not received any proof of claim or other documentation from the Hadfields as at the date of the Seventeenth Report, despite the Hadfields being included on the service list in these proceedings, receiving the Claims Process Order and receiving a copy of the Creditor Package from the Monitor. On or about August 23, 2018, the Monitor wrote to the Hadfields requesting that the Hadfields submit a claim, along with additional information in this regard.

26. As a quick reference for the Court, 137 holds an undivided half interest in the Wandering River Camp real property, with the other undivided half interest being held by Wandering River Properties Ltd., of which 137 owns 66% of the voting shares.

27. On September 19, 2018, the Monitor received a proof of claim from the Hadfields, a copy of which is attached as **Schedule "C"** to this report. That Proof of Claim did not include any supporting documents, nor an explanation for why the claim was not filed prior to the Claims Bar Date, which was January 19, 2018. That explanation has been included in the Affidavit of Mr. Hadfield filed October 4, 2018.

28. In addition, the Monitor has now reviewed the Hadfields' application materials and related Affidavit filed with the Court on October 4, 2018, which has provided the applicable supporting documents

and the Hadfields' explanation for why the claim was not filed prior to the Claims Bar Date. Based on the claim and other information received and reviewed, the Monitor understands that the Hadfields claim is a "vendor takeback" mortgage which secured the balance of the purchase price for the land. They claim there is presently a balance owing on the applicable mortgage of $811,000.00 as at June 1, 2017.

29. The Claims Bar Date was January 19, 2018 at 5:00 PM. Mr. Hadfield acknowledges receiving documentation and information pertaining to same. The proof of claim was filed with the Monitor exactly eight months after the Claims Bar Date. Given the length of time it has taken to receive the proof of claim and the acknowledgement that the creditor package was received, the Monitor does not believe it is within its purview to accept the late filed claim without direction from the Court. The Hadfield mortgage is the only consensual encumbrance registered against title to the Wandering River Camp Lands. The other charges relate to a tax notification and the Administration Charge (both of which appear to enjoy prior to the Hadfield's mortgage. If it is the Court's determination that the Monitor can accept the late filed claim then the Monitor recommends that the Court direct that the Hadfield claim be adjudicated in accordance with the terms of the Claims Process Order with a determination of the Monitor's evaluation of the claim to be issued within 30 days from the Court's Order directing acceptance of the late filing.

UPDATE AND MONITOR'S OPINION IN RELATION TO WESLEASE MORTGAGES

30. As noted in the Seventeenth Report, Weslease has submitted claims purporting to have 2 separate mortgages against two separate parcels of land owned by 185 and 137 respectively, in addition to submitted claims against 1919 and Paul McCracken pursuant to numerous leases, promissory notes and other documents. A snapshot of the details of these Weslease Mortgages are set out below:

Applicant	Real Property Name	Amount Claimed
185	Wabasca (1251 Industrial Drive)	$761,000
137	Bonnyville (North Lands)	$1,500,000

31. Copies of the Weslease Mortgages were included with the Affidavit of Keith Talbot sworn and filed with the Court on October 5, 2018.

32. The Monitor, in consultation with Management and their counsel, note the following deficiencies in respect of the Weslease mortgages:

a.) There is no evidence of direct loans to 137 or 185 by Weslease, nor any other direct indebtedness owing from 137 or 185 to Weslease;

b.) There are no guarantees granted by 137 or 185 in relation to the indebtedness of 1919 or Paul McCracken owing to Weslease; and

c.) The Weslease Mortgages, on their face, secure amounts that are allegedly due and owing by 137 and 185, respectively, pursuant to certain lease agreements, but there are no lease agreements executed as between 185 or 137 and Weslease.

33. The Monitor's counsel has discussed these issues with counsel for Weslease on several occasions.

34. Weslease has not provided any evidence of direct borrowings or guarantees provided by 137 or 185 to Weslease. Based on these facts, it is the Monitor's position that the Weslease Mortgages are entirely unenforceable.

35. The Monitor respectfully requests an Order directing Weslease to discharge the Mortgages, or in the alternative, an Order directing the registrar of land titles to discharge the Weslease Mortgages as against the respective titles.

726 PROPERTY CLAIM AND ISSUES REPSECTING PRIORITY TO THE 726 CLAIM

36. As noted in the Seventeenth Report, at least two Affidavits, which have been classified as confidential and are sealed, were sworn by each of Shayne McCracken and Paul McCracken wherein they swore to the fact that assets listed on the appraisals appended to those Affidavits were owned by the Applicants. The Monitor took steps to subsequently confirm those statements and received confirmation in writing from then counsel for the Applicants to the effect that they had been advised that the information contained in those Affidavits was accurate.

37. The representatives of 726 as sworn in Affidavit on October 2, 2018 which, in respect of the assets claimed by 726, contradicts the previously sworn Confidential Affidavits.

38. The Affidavit of the representative of 726 was received on or about October 4, 2018. Counsel for 726 has also served Paul McCracken with an appointment to question him pursuant to Rule 6.8 of the *Alberta Rules of Court*. The scheduled time for the questioning was 10:00 AM, Friday, October 12, 2018.

39. Upon review of the Affidavits and an assessment of the several issues that are now before the Court in respect of the assets claimed by 726, the Monitor has provided instructions to counsel to question

726's affiant on his Affidavit and has been instructed to participate in the questioning of Paul McCracken. Until such time as the questioning is complete, the Monitor is not in a position to finalize its Report to the Court and the matter is not in a position to be properly heard or addressed on October 23, 2018. The Monitor proposes to put over the hearing in respect of matters as they relate to the assets claimed by 726 to the dates reserved in December (December 4 and 5, 2018) to afford the parties an adequate opportunity to ensure that all relevant evidence is before the Court. The Monitor understands that 726 has agreed to put these matters over to the December hearing dates.

SMALL WARES CLAIMS (BONNYVILLE, MONIAS, WANDERING RIVER, AND PEACE RIVER) BY EACH OF 726 AND SAND TIGER

40. As noted in the Seventeenth report, the Monitor is of the opinion that the sale of any of the Remaining Applicants' camps as operating going concern camps is unlikely, and in that report, the Monitor was initially looking to obtain the Court's approval to evaluate and possibly realize on the Small Wares situated at each of the camps.

41. Since the filing of the Seventeenth Report, counsel for both 726 and Sand Tiger contacted counsel for the Monitor and indicated that their respective clients were claiming a property interest in the Small Wares contained within the specific dorms and other structures which were the subject of their client's property claims.

42. In addition to the above, Sand Tiger filed an affidavit with the Court on October 4, 2018 wherein it claims not only a number of specific dorms on site at the Bonnyville Camp, but also the following assets contained therein:

    a.) 38 TVs
    b.) 5 washing machines and 6 dryers; and
    c.) All bedding, mattresses and bedroom furniture.

43. Similarly, 726 also filed an affidavit with the Court on October 4, 2018 wherein it claims not only a number of dorms, kitchen and recreational units, but also all of the "standard wares" within their respective units claimed. Per 726's affidavit, the "standard wares" include:

    a.) for dorms: all beds, mattresses, televisions, desks, and chairs;
    b.) for kitchen units: all fryers, ranges, mixers, standalone fridges, microwaves, and shelving; and

c.) for recreational dorms: all exercise equipment, pool tables and foosball tables.

726 indicates in its affidavit that it is standard practice for the "standard wares" not to be particularized within invoices for sale, and that is what the case was with respect to its dealings with the Applicants.

44. Counsel for the Monitor is reviewing these claims with a view to providing an opinion to the Monitor with respect to the validity and enforceability of those claims and any priority issues which might arise in respect of same, which likely cannot be completed until the questioning of 726's affiant and Paul McCracken has been completed. These issues, as well, will need to be addressed on December 4, or 5, 2018.

SALE OF CERTAIN ASSETS FROM HML CAMP

45. The Monitor has been working with two separate independent consultants who specialize in the sale of camp dorms and related assets for several months in an attempt to sell the assets of the remaining camps.

46. One of these consultants is Used Modulars Canada Ltd. ("**Used Modulars**"). It is the broker who assisted the parties with the sale of the Aurora Dorms, discussed in previous reports of the Monitor. In the Monitor's opinion, Used Modulars has a strong knowledge of the camp industry, the players and available assets in the market.

47. The Monitor, through Used Modulars has recently received an offer to purchase two 38 Person Alta-Fab Dormitories (the "**Alta Fabs**") along with a two unit Recreation Complex currently located at the HML camp (hereinafter for the purpose of this report, these assets will collectively simply be referred to as the "**HML Dorms**"). The HML camp site is comprised of other assets and dorms in addition to the HML Dorms described above, which will be realized on by the Monitor at a later date.

48. The Monitor has prepared a Confidential Supplement to the Monitor's Eighteenth Report ("**Confidential 18th Supplement**") which contains information in relation to a few matters that the Monitor considers sensitive in nature and should not be disclosed to the public at this time. The Monitor considers the some of the details in relation to the offer received to be sensitive in nature in the event the sale does not close and also on account of the significant number of other dorms and similar assets still to be sold in these circumstances. Given the Monitor's concerns in this regard, the details that the Monitor considers sensitive in nature in relation to this pending sale are outlined in the Confidential 18th Supplement.

49. Used Modulars initiated an invitation for sealed bids process by email on August 22, 2018 in relation to only the Alta Fabs and notified a number of parties which it believed would be qualified, serious and interested in the Alta Fabs. The closing date for bids from interested parties was set for 2:00 p.m. MST on August 31, 2018. Used Modulars felt this timeframe was reasonable in the circumstances as most of the interested parties were aware of the pending opportunity in advance of the formal notice and would be able to quickly conduct their due diligence and submit and offer within the timeframe stipulated. Other factors, such as the end of summer, and onset of fall weather also played a part in the timeframes initially chosen by Used Modulars. A copy of Used Modulars' invitation for offers document is attached as **Schedule "D"** to this report.

50. Used Modulars has advised the Monitor that it initially directly contacted 19 individuals from 13 different companies through its sales process and in addition to the direct marketing efforts of Used Modulars, the Monitor advises that the Alta Fabs were also advertised for sale on Used Modulars' web site: www.usedmodulars.ca.

51. After considering the information outlined in the Confidential 18th Supplement, section 36 (3) of the CCAA and other factors identified by the Monitor's counsel, it is the Monitor's respectful submission that the proposed sale of the HML Dorms is reasonable and appropriate in the circumstances and should be approved by this Honourable Court based on the comments in the Confidential 18th Supplement and the following considerations:

a.) It is the Monitor's position that its use of two outside consultants, who specialize in the sale of such assets in non-exclusive agreements, to assist the Monitor in the marketing and sale of the HML Dorms (and other assets of the Applicants) has resulted in a process that has sufficiently canvassed the applicable market, and further marketing will not result in a superior offer to Structures' that is being contemplated herein;

b.) The Monitor has not only approved of the process leading up to the proposed sale, but has also been involved in the process, where required;

c.) The sale process utilized by the Monitor in respect of the HML Dorms was fair, transparent and reasonable in the circumstances;

d.) As noted in the Confidential 18th Supplement, it is the Monitor's opinion that the pending purchase price for the HML Dorms is beneficial to the creditors and other stakeholders of the estate, and that completing this sale will have a positive effect on the recoveries of the Remaining Applicants' creditors who have an interest in the HML Dorms;

e.) Although no creditors have been specifically consulted on this proposed sale as at the date of this report (simply due to the timing of the offer received, only recently), the Monitor has shared marketing related information with creditors upon their request, including CWB, who was previously provided, on a confidential basis, with the information and materials relating to the arrangements the Monitor has with its outside consultants, and their marketing and sale strategies;

f.) The purchaser is an arm's length party to the Monitor and the Applicants; and

g.) The proposed sale price is fair and reasonable for the HML Dorms, taking into account their appraised market values, the opinion of the Monitor's consultant and the other information outlined in the Confidential 18th Supplement.

MONITOR'S ACTIONS IN RELATION TO THE MISSING ASSETS AT MONIAS

52. As discussed in the Seventeenth Report, the Monitor continues to investigate the whereabouts of a number of "missing assets" that were listed as being located at Monias, but were not on site at the time of the Monitor's attendance on July 18, 2018. A listing of these missing assets was included as a schedule to the Confidential 17th Supplement.

53. Management has confirmed that, to the best of their knowledge, the missing assets existed and were located on site at Monias effective the last date the Applicants were on site (the Monitor understands that the Applicants were last on site at Monias back in March of 2017).

54. 726 has indicated to the Monitor that it did not remove any assets that were not the subject of its property claim, which would exclude these missing assets.

55. The individual who has been controlling/restricting access to the Monias site has confirmed to the Monitor that he has not taken or moved any of the assets from the site, and specifically, has not moved or taken any of these missing assets.

56. Given the above, the Monitor has notified the Applicants' insurer of the possible claim, and has filed a police report for the missing assets. The Monitor continues to work with the Applicants' insurer, and the RCMP in regard to investigating this matter, and will report back to Court in a subsequent report as additional information becomes available or developments occur.

SALE OF A SIGNIFICANT NUMBER OF ACCESS MATS BY 726 WITH KNOWLEDGE AND CONSENT OF THE MONITOR

57. Since the expansion of its powers, the Monitor has worked with a few outside consultants to market and sell the Remaining Applicants' remaining assets, and as a result, has entertained various enquiries and offers in relation to various assets or groups of assets.

58. In particular, the Monitor has received a number of offers in relation to fir access mats located at or near the Monias camp, which it has not been able to finalize due to the opposition of 726, who has asserted a property claim over these fir access mats at this location.

59. Recently, 726 has advised the Monitor that it has received a number of offers directly for the purchase of these mats at the Monias site, one of which is superior to all of the other offers received to date. 726 has indicated that this offer is more than fair and reasonable and should be pursued and finalized. The Monitor agrees that the proposed purchase price per mat is superior to any offers received to date, and further believes that the amount is fair and reasonable in the circumstances. The Monitor has provided additional information in relation to the appraised value of these fir access mats, and the offers received in the Confidential 18th Supplement.

60. Given 726's pending property claim against the assets at the Monias site, the desire of 726 to proceed with a sale agreement in relation to these mats, the information outlined in the Confidential 18th Supplement and the Monitor's opinion that the proposed purchase price is fair and reasonable in the circumstances, the Monitor has agreed to allow 726 to proceed to a sale of the mats in question subject to a number of terms, which generally include the following:

a.) 726 will cause the purchase price for the Dorm Units to be paid to McAllister LLP in trust (the "Purchase Price"). The Purchase Price will be held by McAllister LLP in trust in accordance with the terms of the agreement;

b.) Upon receipt of the Purchase Price, the Monitor and 726 will permit the purchaser to have access to the site(s) where the mats are presently located and will allow the purchaser to remove the mats from such locations;

c.) The purchaser and/or its agents shall coordinate with the Monitor with respect to all arrangements for the removal of the mats;

d.) 726 and the purchaser shall enter into to a simple form of written agreement, an executed form of which shall be provided to the Monitor, that contains (without limitation) clauses to the following effects: (a) the purchaser agrees to hold the Monitor, 726, Kilometer 147 Lodge LP, and 18512398 Alberta Ltd. harmless and indemnify each of them in respect of any and all costs, charges, expenses, damages, and repair work or other services needed to remove the mats from the sites upon which they are located; (b) the purchaser shall comply with any other reasonable requirements or requests of 726 or the Monitor, in their discretion; (c) the mats are being purchased "as is, where is"; and (d) the purchaser shall be responsible for the cost of removal and transportation of the mats;

e.) The Monitor and 726 shall each have (or at least be entitled to have) a representative present on each site present at the time or times that the purchaser is removing the mats, and the Monitor's representative shall take an accounting of the number of mats removed, type of mats removed, and dimension of mats removed. The purchaser shall not be permitted to remove any mats without a representative of the Monitor present during such removal, unless previously permitted in writing by the Monitor;

f.) The Purchase Price shall stand in the place and stead of any and all claims against the mats in their priorities immediately prior to the sale, and nothing in the sale of the mats shall be deemed to or otherwise have the effect of altering the ownership or legal priorities in respect of and to the mats; and

g.) The Purchase Price shall not be released from the trust account of McAllister LLP without the consent of 726 and the Monitor or alternatively by Court Order.

61. A copy of the letter agreement between 726 and the Monitor is included as a schedule to the Confidential 18th Supplement.

CONCLUSIONS

62. Based on the matters outlined in this report, the Monitor respectfully requests an Order that:

a.) approves the actions of the Monitor as set out in this report;

b.) authorizes the Monitor to complete the sale of Holdings' units in the Cimarron Lodge LP limited partnership for a nominal value, or if such a sale cannot be completed, to issue a notice of dissolution in respect of this limited partnership;

c.) provides advice and direction to the Monitor in relation to whether or not the Hadfields' claim is barred or can be accepted late for review by the Monitor;

d.) provides advice and direction as to whether or not the Weslease Mortgages are or continue to be valid and enforceable against the respective properties and if not, a direction that the Weslease Mortgages be discharged immediately;

e.) puts over the issues respecting 726's property and priority claims and all Small Ware claims to be heard December 4 or 5, 2018;

f.) approves the sale of the HML Dorms; and,

g.) seals the contents of the Confidential Supplement to the Monitor's Eighteenth Report.

All of which is respectfully submitted.

Dated at Edmonton, this 11th day of October, 2018.

Ernst & Young Inc.
In its capacity as Monitor of
667402 Alberta Ltd.; 18512398 Alberta Ltd.;
816956 Alberta Ltd.; 1371047 Alberta Ltd.;
1919209 Alberta Ltd.; and Canada North Group LP Holdings Ltd.
and not in its personal or corporate capacity

Per:

Matt McCulloch, CPA, CA, CIRP, Licensed Insolvency Trustee
Senior Vice-President

SCHEDULE A

ACCOUNTING FROM MAYNARDS IN RELATION TO THE SEPTEMBER 12, 2018 SALE

Maynards SINCE 1902

CANADA | USA | EUROPE | JAPAN | CHINA

Remit to: Ernst & Young Inc

Attention: Dan McCulloch

Reference: **Canada North Group Auction**

Attached please find a cheque which is calculated as follows:

Net Minimum Guarantee			**$1,240,000.00**
Add: Participation Component:			
	Gross Auction Sales	1,221,411.07	
	Gross Auction Pre-Sales	76,271.19	
	Less: NMG	(1,240,000.00)	
	Less: Due to Maynards (Max $60K)	(57,682.26)	
	Available for Participation	0.00	
	Participation due to Ernst & Young	90%	0.00
Auction Payout:			**1,240,000.00**
Adjustments:			
Balance (Due)/Owing:			**$1,240,000.00**

Thank you,

Maynards Industries Canada Ltd
1585 West 4th Ave
Vancouver, BC
V6J 1L6
Ph: 604-876-6787
Fax: 604-876-2678
www.maynards.com

SCHEDULE B

INTERNAL FINANCIAL INFORMATION IN RELATION TO CIMARRON LODGE LP

Cimarron Lodge LP
Balance Sheet As at 07/31/18

ASSET

Current Assets		
Cimarron Lodge LP CWB Cheq...	0.00	
Cimarron Lodge LP: Royal Che...	2,063.04	
Direct Debit - Payroll	0.00	
Cimarron Lodge: BMO Chequing	69.15	
Total Cash		2,132.19
Camp Set-Up Costs		0.00
Deposit		1,522.00
Accounts Receivable	11,668.36	
Accrued Receivables	0.00	
Allowance for Doubtful Accounts	0.00	
Payroll Advances	0.00	
Total Receivable		11,668.36
Groc Inventory	0.00	
Water Pop Inventory	0.00	
Total Inventory		0.00
Total Current Assets		15,322.55
Capital / Fixed Assets		
Capital Purchases		0.00
Deferred Finance Charge		0.00
Work In Progress		0.00
Acc Inventory - General		0.00
Prepaid Expenses		0.00
Prepaid Insurance		0.00
Equipment Lease Deposits		0.00
Land		0.00
Buildings - Moveable Class 10	0.00	
Accum Deprec - Buildings Move...	0.00	
Buildings - Net		0.00
Parking Lot	0.00	
Accum Deprec - Parking Lot	0.00	
Parking Lot - Net		0.00
Water Well & Septic	3,941.09	
Accum Dep - Well & Septic	-1,226.11	
Well & Septic - Net		2,714.98
Catering - Equipment	2,443.75	
Accum Deprec: Cater Equip	-684.26	
Catering Equip - Net		1,759.49
Signage	0.00	
Accum Dep - Signage	0.00	
Signage - Net		0.00
Office Equip/Furn	0.00	
Accum Dep: Office Equip	0.00	
Office Equipment - Net		0.00
Equipment	2,854.78	
Accum Dep - Equipment	-799.34	
Equipment - Net		2,055.44
Bedroom Equipment	0.00	
Accum Dep - Bedroom Equip	0.00	
Bedroom Equipment - Net		0.00
Linens	0.00	
Accum Dep - Linen	0.00	
Linens - Net		0.00
Utility System	0.00	
Accum Amort - Utility System	0.00	
Utility System - Net		0.00
Buildings - Class 6	0.00	
Accum Amort - Buildings	0.00	
Buildings - Net		0.00
Furnishings - Class 8	0.00	
Accum Amort - Furnishings	0.00	
Furnishing - Net		0.00

Cimarron Lodge LP
Balance Sheet As at 07/31/18

Computer Hardware	0.00	
Accum Dep - Computers Hard...	0.00	
Computers Hardware - Net		0.00
Computer Software	0.00	
Accum Dep - Comp Software	0.00	
Computer Software - Net		0.00
Automotives	0.00	
Accum Dep - Automotives	0.00	
Automotives - Net		0.00
Camp Setup: 5yr Amortization	0.00	
Accum Dep - Camp Setup: 5 yr ...	0.00	
Camp Setup: 5 yr - Net		0.00
Camp Setup: 3 yr Amortization	0.00	
Accum Dep - Camp Setup: 3 yr ...	0.00	
Camp Setup: 3 yr Amort - Net		0.00
Leasehold Improvements	0.00	
Accum Dep - Leasehold Improv...	0.00	
Leasehold Improvements - Net		0.00
Amortization Yearly Estimate		0.00
Total Capital / Fixed Assets		6,529.91
TOTAL ASSET		21,852.46
LIABILITY		
Current Liabilities		
GST Charged on Sales	0.00	
GST Paid on Purchases	-2,008.62	
GST Owing (Refund)		-2,008.62
GST Overpayment		0.00
Accrued wages		0.00
Loan - CNC (		-248,652.02
Account Payable		103,316.27
Uniforms		0.00
STAFF PURCHASES		0.00
Medical Deduction		0.00
Damage Deposit		0.00
Deposit to Hold Rooms		0.00
Bonus Payable		0.00
Accounts Payable - Y/E adjust		0.00
Vacation payable		0.00
EI Payable	0.00	
CPP Payable	0.00	
Tax Payable: Payroll	0.00	
Total Receiver General		0.00
Unearned Revenue		0.00
Land Taxes		0.00
Corporate Taxes payable		0.00
Future taxes payable		0.00
Total Current Liabilities		-147,344.37
Long Term Liabilities		
Loan - CNC		1,000.00
Cimarron Camp Services Ltd		0.00
Profit Share Cimarron Camp Ser...		-250,000.00
Profit Share CNC		-100,000.00
Total Long Term Liabilities		-349,000.00
TOTAL LIABILITY		-496,344.37
EQUITY		
Partners' Contribution		
Canada North Camps Inc.		107,201.00
Cimarron Holdings LLC		28,544.40

Cimarron Lodge LP
Balance Sheet As at 07/31/18

Total Share Capital	135,745.40
Retained Earnings	
Retained Earnings - Previous Year	435,887.47
Current Earnings	-53,436.04
Total Retained Earnings	382,451.43
TOTAL EQUITY	518,196.83
LIABILITIES AND EQUITY	21,852.46

Cimarron Lodge LP
Aged Overdue Payables Detail As at 04/30/18

Source	Type	Date	Due Date	Total Due	Total Current	Total Overdue	1 to 30 Overdue	31 to 60 Overdue	61+ Overdue
804-364508	Invoice	03/08/17	03/08/17	144.21	-	144.21	-	-	144.21
credit	Invoice	04/05/18	04/05/18	-770.51	-	-770.51	-770.51	-	-
Total outstanding:				-	-	-	-770.51	-	770.51
Allpoints Fire Protection									
13397 10.18.16	Invoice	04/01/17	04/01/17	5,475.41	-	5,475.41	-	-	5,475.41
credit*	Invoice	04/05/18	04/05/18	270.00	-	270.00	270.00	-	-
credit	Invoice	04/05/18	04/05/18	-5,745.41	-	-5,745.41	-5,745.41	-	-
Total outstanding:				-	-	-	-5,475.41	-	5,475.41
BC Hydro									
Dec17-5606 CR.	Invoice	12/19/17	12/19/17	-487.11	-	-487.11	-	-	-487.11
Dec17-5606	Invoice	12/20/17	12/20/17	1,543.10	-	1,543.10	-	-	1,543.10
Jan18-5606	Invoice	01/22/18	01/22/18	1,552.31	-	1,552.31	-	-	1,552.31
Feb18-5606	Invoice	02/21/18	02/21/18	1,535.61	-	1,535.61	-	-	1,535.61
Mar18-5606	Invoice	03/23/18	03/23/18	-2,762.10	-	-2,762.10	-	-2,762.10	-
Total outstanding:				1,381.81	-	1,381.81	-	-2,762.10	4,143.91
Bluewave Energy									
08204316319887	Invoice	11/25/16	11/25/16	6,152.13	-	6,152.13	-	-	6,152.13
08204316535330	Invoice	02/17/17	04/18/17	9,801.86	-	9,801.86	-	-	9,801.86
08204316535330...	Invoice	09/29/17	11/28/17	-9,353.86	-	-9,353.86	-	-	-9,353.86
Total outstanding:				6,600.13	-	6,600.13	-	-	6,600.13
Cimarron Camp Services Ltd.									
1926	Invoice	12/01/16	12/01/16	7,398.84	-	7,398.84	-	-	7,398.84
1933	Invoice	06/30/17	06/30/17	12,804.92	-	12,804.92	-	-	12,804.92
1937	Invoice	02/01/18	02/01/18	925.07	-	925.07	-	-	925.07
1932	Invoice	04/05/18	04/05/18	5,880.00	-	5,880.00	5,880.00	-	-
1936	Invoice	04/05/18	04/05/18	6,651.37	-	6,651.37	6,651.37	-	-
1931	Invoice	04/05/18	04/05/18	16,531.98	-	16,531.98	16,531.98	-	-
1928	Invoice	04/05/18	04/05/18	17,674.01	-	17,674.01	17,674.01	-	-
1929	Invoice	04/05/18	04/05/18	8,820.00	-	8,820.00	8,820.00	-	-
Total outstanding:				76,686.19	-	76,686.19	55,557.36	-	21,128.83
CRA: GST									
Jan01-Mar31.18 ...	Invoice	03/31/18	03/31/18	-16.52	-	-16.52	-16.52	-	-
Total outstanding:				-16.52	-	-16.52	-16.52	-	-
Home Hardware Building Centre									
578016	Invoice	02/27/17	02/27/17	120.87	-	120.87	-	-	120.87
578014	Invoice	02/27/17	02/27/17	86.02	-	86.02	-	-	86.02

SCHEDULE C

COPY OF HADFIELD PROOF OF CLAIM RECEIVED SEPTEMBER 19, 2018

LAND TITLE CERTIFICATE

S

LINC	SHORT LEGAL	TITLE NUMBER
0013 993 259	4;17;71;35;NE	142 247 880

LEGAL DESCRIPTION

THE NORTH EAST QUARTER OF SECTION THIRTY FIVE (35)
TOWNSHIP SEVENTY ONE (71)
RANGE SEVENTEEN (17)
WEST OF THE FOURTH MERIDIAN
CONTAINING 65.2 HECTARES (161 ACRES) MORE OR LESS
EXCEPTING THEREOUT:
(A) 0.417 HECTARES (1.03 ACRES) MORE OR LESS,
AS SHOWN ON ROAD PLAN 498PX.
(B) 0.414 HECTARES (1.02 ACRES) MORE OR LESS,
AS SHOWN ON ROAD PLAN 8020469
EXCEPTING THEREOUT ALL MINES AND MINERALS
AND THE RIGHT TO WORK THE SAME

ESTATE: FEE SIMPLE

MUNICIPALITY: ATHABASCA COUNTY

REFERENCE NUMBER: 962 218 486

REGISTERED OWNER(S)

REGISTRATION	DATE(DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
142 247 880	01/08/2014	TRANSFER OF LAND	$1,400,000	$1,400,000

OWNERS

1371047 ALBERTA LTD.
OF 2900 10180 101 STREET
EDMONTON
ALBERTA T5J 3V5
AS TO AN UNDIVIDED 1/2 INTEREST

WANDERING RIVER PROPERTIES LTD.
OF 2900 10180 101 STREET
EDMONTON
ALBERTA T5J 3V5
AS TO AN UNDIVIDED 1/2 INTEREST

(CONTINUED)

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
5328RB	21/11/1968	CAVEAT RE : EASEMENT CAVEATOR - SUNCOR ENERGY INC. C/O LAND DEPARTMENT PO BOX 2844 150 6 AVENUE SW CALGARY ALBERTA T2P3E3 "DISCHARGE EXCEPT PART ON PLAN 884RS REG# 400RJ" (DATA UPDATED BY: CHANGE OF ADDRESS 912186637) (DATA UPDATED BY: TRANSFER OF CAVEAT 082458341) (DATA UPDATED BY: CHANGE OF ADDRESS 112117093)
3122RI	05/06/1969	CAVEAT RE : EASEMENT CAVEATOR - ATCO GAS AND PIPELINES LTD. ATTEN: LAND DEPARTMENT C/O ATCO GAS 10035-105 STREET EDMONTON ALBERTA T5J2V6 (DATA UPDATED BY: TRANSFER OF CAVEAT 002378482)
6608UG	07/12/1973	CAVEAT CAVEATOR - ATCO GAS AND PIPELINES LTD. 10035-105 ST EDMONTON ALBERTA T5J2V6 (DATA UPDATED BY: TRANSFER OF CAVEAT 012030644)
752 001 834	16/01/1975	CAVEAT CAVEATOR - SUNCOR ENERGY INC. C/O LAND DEPARTMENT PO BOX 2844 150 6 AVENUE SW CALGARY ALBERTA T2P3E3 AGENT - DEANNA HAVERLAND "DATA UPDATED BY TRANSFER OF CAVEAT #902080688" (DATA UPDATED BY: CHANGE OF ADDRESS 912183087) (DATA UPDATED BY: CHANGE OF NAME 082080104) (DATA UPDATED BY: CHANGE OF ADDRESS 112187777)
762 018 674	02/02/1976	UTILITY RIGHT OF WAY GRANTEE - ICG UTILITIES (PLAINS-WESTERN) LTD. "DATA UPDATED BY TRANSFER OF EASEMENT #822229348"

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
832 210 206	30/08/1983	CAVEAT RE : SEE CAVEAT CAVEATOR - ICG UTILITIES (PLAINS-WESTERN) LTD. BOX 800, LEDUC ALBERTA "AS TO LEGAL SUBDIVISION 16"
972 285 099	18/09/1997	LIEN BY - HER MAJESTY THE QUEEN IN RIGHT OF ALBERTA RURAL ELECTRIFICATION LIEN
142 247 881	01/08/2014	MORTGAGE MORTGAGEE - JEFFREY HADFIELD MORTGAGEE - JACKIE HADFIELD BOTH OF: 4 BERRY CRESCENT FORT MCMURRAY ALBERTA T9H1J9 ORIGINAL PRINCIPAL AMOUNT: $1,340,000

TOTAL INSTRUMENTS: 008

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN ACCURATE REPRODUCTION OF THE CERTIFICATE OF TITLE REPRESENTED HEREIN THIS 1 DAY OF AUGUST, 2014 AT 10:00 A.M.

ORDER NUMBER: 26556459

CUSTOMER FILE NUMBER: 533685-5/RCB

END OF CERTIFICATE

THE LAND TITLES ACT

VENDOR TAKE BACK MORTGAGE

WHEREAS:

1371047 ALBERTA LTD. and WANDERING RIVER PROPERTIES LTD., bodies corporate having an office at Edmonton, Alberta, (the "Mortgagor") has agreed to purchase from JEFFREY HADFIELD AND JACKIE HADFIELD. (the "Mortgagee"), who and whose successors are herein called the Mortgagee, the Mortgaged Premises (as hereinafter defined) and as security for payment of a portion of the purchase price and interest thereon has agreed to grant the within Mortgage to the Mortgagee;

The Mortgagor is or is entitled to become registered as owner of an estate in fee simple with respect to the lands described in Schedule "A" hereto (the lands so described in Schedule "A", together with all buildings and improvements now or hereafter erected thereon being hereinafter referred to as "the said land" or "the Mortgaged Premises");

IN CONSIDERATION of the Mortgagee agreeing to sell the Mortgaged Premises to the Mortgagor and agreeing to accept this Mortgage as security for payment by the Mortgagor of the unpaid portion of the purchase price, namely the sum of $1,340,000.00 (hereinafter sometimes referred to as the "loan" or the "principal sum") the receipt and sufficiency of which consideration is hereby acknowledged by the Mortgagor;

THE MORTGAGOR COVENANTS WITH THE MORTGAGEE AS FOLLOWS:

Principal and Interest:

1. That the Mortgagor shall pay to the Mortgagee which sums the Mortgagee hereby irrevocably directs to be paid to the Mortgagee, at 4 Berry Crescent, Fort McMurray, Alberta, T9H 1J9 in lawful money of Canada, the principal sum lent to the Mortgagor as aforesaid with interest thereon at the rate of **zero percent (0.00%) per annum calculated and compounded annually, not in advance** as well as after as before maturity both before and after default and after judgment until paid as follows:

1.1 The principal sum together with interest on the aforesaid rate shall become due and be paid in equally monthly installments of $23,500.00, with the first payment payable on the first day of the month following the Closing Date under the Offer to Purchase between the Mortgagor as purchaser and the Mortgagee as vendor and continuing until paid in full.

1.2 Provided the Mortgagor is not otherwise in default of the terms of this Mortgage, the Mortgagor shall have the right and privilege to prepay the whole amount of principal advanced hereunder without notice, bonus or penalty and interest shall be calculated to the date of such payment.

Taxes:

2. That save as hereinafter described, the Mortgagor will pay when and as the same fall due, all taxes, rates, liens, charges, encumbrances or claims (hereinafter sometimes referred to as "taxes") which are or may be or become charges or claims against the Mortgaged Premises, on or in respect of this Mortgage.

Should the Mortgagor default in its obligation in this paragraph 2, the Mortgagee shall have the right itself to pay the taxes and the amount so paid, as aforesaid, by the Mortgagee shall be secured hereby and shall (together with interest thereon at the rate then in effect) be a charge on the Mortgaged Premises, and shall bear interest at the said rate until paid, all such monies to be repayable to the Mortgagee on demand, or if not demanded repayable on the next ensuing installment date (whether principal or interest).

Interest Calculation:

3. That the Mortgagor shall pay to the Mortgagee interest as aforesaid and all interest on becoming overdue shall be forthwith treated, as to payment of interest thereon, as principal and shall bear interest thereon at the rate then in effect, as well after as before maturity of this Mortgage and all such interest shall be a charge on the Mortgaged Premises; and in the event of non-payment of any of the monies hereby secured at the time herein set for payment thereof the Mortgagor will, so long as any part thereof remains unpaid, pay interest at the said rate from day to day on the same.

Insurance:

4. The Mortgagor shall forthwith place or cause to be placed, and thereafter maintain or cause to be maintained in full force and effect continuous (without interruption) during the continuance of this security, policies of insurance and insurance coverage as follows:

4.1 for public liability with limits not less than $2,000,000.00 per occurrence;

4.2 if and upon construction of any commercial building upon the Mortgaged Premises or if buildings or residences are located on the property and occupied by tenants:

4.2.1 against loss or damage by fire and extended perils and any other insurable perils that may be deemed necessary by the Mortgagee, the Mortgaged Premises in the sum of not less than their full insurable value of lawful money of Canada, and in any event, in an amount equal to not less than the full replacement cost of the Mortgaged Premises;

4.2.2 where applicable, against loss or damage due to perils covered by broad form boiler and pressure vessel insurance policies;

4.2.3 where applicable rental income insurance as the Mortgagee may require.

The loss for such policies shall be made payable to the Mortgagee as first loss payee, with the Mortgagee's mortgage clause affixed to each policy by the insurer. The Mortgagor shall pay all premiums and sums of money necessary for such purpose as the same shall become due, and shall forthwith assign and deliver to the Mortgagee the policy or policies of insurance and all renewal receipts and renewals thereto appertaining and will deliver evidence of renewal to the Mortgagee at least fifteen (15) days prior to the expiration of any policy. In the event of any breach of the foregoing covenants respecting insurance the Mortgagee may, at its option, effect such insurance on behalf of the Mortgagor, and if for any reason the Mortgagee is unable to effect or maintain such insurance the whole of the monies hereby secured remaining unpaid shall forthwith become due and payable. Forthwith on the happening of any loss or damage as aforesaid the Mortgagor, at the expense of the Mortgagor, will furnish all necessary proofs and do all necessary acts to enable the Mortgagee to obtain payment of the insurance monies and any such insurance monies received by the Mortgagee may, at the option of the Mortgagee, be applied in repairing or rebuilding any building of which the Mortgaged Premises may form a part, or be applied to the payment of the monies hereby secured (whether or not any amount is then due) in such manner as the Mortgagee may determine or be paid to the Mortgagor or any person appearing by the registered title to be the owner of the said lands or partly in one way and partly in another.

Improvements and Fixtures:

5. The Mortgagor shall not commit any act of waste thereon, and shall at all times during the continuance of this security the same repair, maintain, restore, mend, keep, make good, finish, add to and put in order. Provided however that the preparation of the Mortgaged Premises for future subdivision for urban purposes shall not be deemed to be an act of waste. In the event of any loss or damage thereto or destruction of any new buildings placed upon the Mortgaged Premises the Mortgagee may give notice to the Mortgagor to repair, rebuild or reinstate the same within a time to be determined by the Mortgagee and to be stated in such notice. If the Mortgagor fails to so repair, rebuild or reinstate within such time,

such failure shall constitute a breach of covenant hereunder and thereupon the Mortgage monies shall, at the option of the Mortgagee, become immediately due and payable without demand by the Mortgagee upon the Mortgagor. The Mortgagee may repair, rebuild or reinstate the Mortgaged Premises at the cost of the Mortgagor and charge all sums of money determined by the Mortgagee to be properly paid therefor to the mortgage account, all notwithstanding any law, equity or statute to the contrary, and in particular, *The Insurance Act* of Alberta and *The Fire Prevention (Metropolis) Act*, 1774 (14 Geo.3 c.78), all rights and benefits of the Mortgagor thereunder being hereby expressly waived. This provision shall be in addition to any statutory covenants implied in this Mortgage.

Land Titles Act Covenants:

6. That the Mortgagor further covenants and agrees with the Mortgagee that:

6.1 the Mortgagor has good title to the said lands free from all encumbrances (save as endorsed hereon);

6.2 the Mortgagor has the right to Mortgage the lands;

6.3 on default the Mortgagee shall have quiet possession of the lands free from all encumbrances (save as endorsed hereon);

6.4 the Mortgagor shall execute such further assurances of the lands as may be requisite; and

6.5 the Mortgagor has done no act to encumber the lands (save as endorsed hereon).

Default:

7. That in the event of non-payment of the mortgage monies or any part thereof at the time of falling due of same under the terms of this Mortgage, or in the event of non-payment of interest or of any further amounts as provided for in this Mortgage, or in the event of default being made in any of the covenants, agreements, provisos or stipulations otherwise expressed or implied herein, or in the event of default being made in any of the covenants, agreements, provisos or stipulations expressed in any mortgage to which this Mortgage is subject, or if the Mortgagor shall become bankrupt or insolvent or shall be subject to the provisions of the *Bankruptcy Act* of Canada, the *Companies' Creditors' Arrangement Act* of Canada, the *Winding-Up Act* of Canada or any other Act for the benefit of creditors or go into liquidation either voluntarily or under an order of a court of competent jurisdiction, or make a general assignment for the benefit of its creditors or otherwise acknowledge its insolvency, or upon the registration of any builders' lien against the Mortgaged Premises, which lien remains undischarged for a period of twenty-one (21) days after notice of the registration thereof is given to the Mortgagor;

7.1 the Mortgagee at its option may, at the expense of the Mortgagor, and when and to such extent as the Mortgagee deems advisable, observe and perform or cause to be observed and performed such covenant, agreement, proviso or stipulation;

7.2 the Mortgagee may send or employ an inspector to inspect and report upon the value, state and condition of the Mortgaged Premises and a solicitor to examine and report upon the title to the same;

7.3 the Mortgagee may enter into possession of the Mortgaged Premises and whether in or out of possession collect the rents and profits therefrom, and make any demise or lease of the Mortgaged Premises or any part thereof for such terms and periods and at such rents as the Mortgagee shall think proper; and the power of sale hereunder may be exercised before or after and subject to any such demise or lease;

7.4 the Mortgagee at such time or times as it may deem necessary and without the concurrence of any other person through its servants, agents or contractors may enter upon the Mortgaged Premises and may make such arrangements for repairing or putting in order the Mortgaged Premises, or for inspecting, taking care of, leasing, collecting the rents of and managing generally the Mortgaged Premises as it may deem expedient, all costs, charges, and expenses incurred by the Mortgagee in so doing, including allowances for the time and service of any agent of the Mortgagee or other person appointed for the above purposes or in connection therewith shall be secured hereby and shall (together with interest thereon at the rate then in effect) be a charge on the Mortgaged Premises, shall bear interest at the said rate until paid, all such monies to be repayable to the Mortgagee on demand, or if not demanded, then repayable without demand on the next ensuing installment (whether for interest or principal);

7.5 the Mortgagee shall have full power, right and license to enter, seize and distrain upon the Mortgaged Premises, or any part thereof, and by distress warrant to recover by way of rent reserved as in the case of a demise of the Mortgaged Premises as much of the mortgage monies as shall from time to time be or remain in arrears and unpaid together with all costs, charges and expenses attending such levy or distress as in like cases of distress for rent;

7.6 the Mortgagee may sell and dispose of the Mortgaged Premises with or without entering into possession of the same and with or without notice to the Mortgagor or any party interested in the Mortgaged Premises; and all remedies competent may be resorted to; and all the rights, powers and privileges granted to or conferred upon the Mortgagee under and by virtue of any statute or by this Mortgage may be exercised; and any notice may be effectually given by delivering such notice or transmitting such notice by telefacsimile to the Mortgagor at the address or telefax number of the Mortgagor shown herein; and no want of notice or publication or any other defect, impropriety or irregularity shall invalidate any sale made or purporting to be made of the Mortgaged Premises hereunder, and the Mortgagee may sell, transfer and convey any part of the Mortgaged Premises, on such terms of credit or part cash and part credit secured by contract or agreement for sale or mortgage, or otherwise, as shall appear to the Mortgagee most advantageous and for such prices as can reasonably be obtained therefor; and in the event of a sale on credit or for part cash and part credit, whether by way of contract for sale or by conveyance or transfer and mortgage, the Mortgagee is not to be accountable for or charged with any monies until the same shall be actually received in cash; and sales may be made from time to time of parts of the Mortgaged Premises to satisfy interest or parts of the principal overdue, leaving the principal or parts thereof to run with interest payable as aforesaid; and the Mortgagee may make any stipulations as to title or evidence or commencement of title or otherwise as the Mortgagee shall deem proper, and may buy in or rescind or vary any contract for sale; and on any sale or resale, the Mortgagee shall not be answerable for any loss occasioned thereby; and for any such purposes the Mortgagee may make and execute all agreements and assurances that the Mortgagee shall deem advisable or necessary; and in case of any sale held by the Mortgagee under and by virtue of the laws of the Province of Alberta under the power of sale herein contained shall prove abortive, the Mortgagee may take foreclosure proceedings in respect of the Mortgaged Premises in accordance with the provisions of the laws of the Province of Alberta in that regard; and in the event of any deficiency on account of monies secured by this Mortgage remaining due to the Mortgagee after realizing all of the Mortgaged Premises by sale or otherwise then the Mortgagor will pay to the Mortgagee on demand the amount of such deficiency with interest at the rate aforesaid;

7.7 the whole of the unpaid balance of the mortgage monies, interest and all other amounts due hereunder, at the option of the Mortgagee, become due and payable.

<u>Non-Merger:</u>

8. That the giving and taking of this Mortgage shall in no way merge or affect any other security or securities that may have been, or that may hereafter be given in respect of any amounts secured by this Mortgage or any part thereof, or impair or affect any such security or securities or any remedy thereon, and all rights or remedies which the Mortgagee now has or may hereafter have against the Mortgagor or any other person or entity are hereby reserved, and the Mortgagor agrees that the taking of a judgment or judgments under any of the covenants or agreements herein contained or under any such security or securities or the entering into any arrangement (including the granting of time), compromise, release or

discharge or the termination of any cause, claim or right whatsoever by the Mortgagee with the Mortgagor or any other person or entity, to the exclusion of the Mortgagor or any other person or entity, whether prejudicial or beneficial to any one or more of them, shall not operate as a merger of such covenants and agreements or affect the rights or remedies of the Mortgagee under the covenants herein contained or under any other such security or securities, or of the Mortgagee's security herein by way of a charge against the Mortgaged Premises, or affect the Mortgagee's right to interest at the rate prescribed herein on any amounts owing to the Mortgagee under the covenants contained in this Mortgage, or under any other security or securities, it being understood and agreed that interest at the rate prescribed herein shall run and be included and payable on any judgment or other proceedings taken herein and that any such judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as herein provided until such judgment shall have been fully paid and satisfied.

Release of Mortgaged Premises:

9. That the Mortgagee may at any time release any part of the Mortgaged Premises, or any of the covenants and agreements herein contained, or any collateral security, either with or without any consideration therefor, and without being accountable for the value thereof, or for any money except what is actually received, and without thereby releasing or affecting any other of the Mortgaged Premises or any of the other covenants or agreements herein contained or releasing any surety or other security, and no person shall have any right to require the mortgage monies to be apportioned.

Partial Discharges:

10. Notwithstanding anything to the contrary contained in paragraph 9, although the Mortgagor shall not be entitled to a complete discharge of this Mortgage until after receipt of the entire principal sum, interest thereon, and all other monies secured, the Mortgagee shall from time to time release portions of the Mortgaged Premises (each such portion being hereinafter referred to as "Release Parcel") provided that:

10.1 the Mortgagor is not in default of any covenant or undertaking to be observed or performed by the Mortgagor under this Mortgage;

10.2 the Mortgagor shall at its sole cost and expense obtain any and all consents of all governmental planning authorities or subdivision authorities necessary to permit the registration of a plan of subdivision in respect of the Release Parcel;

10.3 the Mortgagor shall have made payment in reduction of the principal sum for each Release Parcel of an amount which is that portion of the principal sum then outstanding which the area of the Release Parcel exclusive of the area of environmental reserves, bears to the area contained in the title for the lands at that date; and

10.4 the Mortgagor has paid all interest which has accrued due upon the amount of the principal payment to be made pursuant to paragraph 10.3 above from the last preceding the date of such payment to the date of such payment.

Any prepayment made by the Mortgagor pursuant to paragraph 10.3 shall be credited against the principal sum then outstanding under this Mortgage.

Costs:

11. That all solicitor's, inspector's, consultant's (including the architect's), valuator's, surveyor's and other fees and expenses for drawing and registering this Mortgage, and for examining the Mortgaged Premises and the title thereto, and for making or maintaining this Mortgage as a first charge on the Mortgaged Premises (save as endorsed hereon) or incurred as a result of default hereunder or of endeavouring to collect with or without suit any money payable hereunder, or of taking, recovering or keeping possession of money payable hereunder, or of taking, recovering or keeping possession of the Mortgaged Premises, and generally in any other proceeding, matter or thing taken or done to protect or realize the security or any other security for this mortgage loan, together with all sums which the Mortgagee may and does from time to time advance, expend or incur hereunder as principal, insurance premiums, taxes, rates or in or toward payment of prior liens, charges, encumbrances or claims charged or to be charged against the Mortgaged Premises or in maintaining, repairing or restoring the Mortgaged

Premises notwithstanding that the costs thereof may exceed the principal sum secured hereunder, and in inspecting, leasing, managing or improving the Mortgaged Premises, or in maintaining, repairing or restoring the Mortgaged Premises, including the price or value of any goods of any sort or description supplied to be used on the Mortgaged Premises, and in exercising or enforcing or attempting to enforce or in pursuance of any right, power, remedy or purpose hereunder or subsisting, and legal costs, as between a solicitor and his own client on a full indemnity basis, and also an allowance for the time, work and expenses of the Mortgagee, for any purpose herein provided for and whether such sums are advanced or incurred with the knowledge, consent, concurrence or acquiescence of the Mortgagor or otherwise shall be secured hereby and shall (together with interest thereon at the rate then in effect) be a charge on the Mortgaged Premises, shall bear interest at the said rate until paid, all such monies to be repayable to the Mortgagee on demand, or if not demanded, then repayable without demand on the next ensuing installment (whether for interest or principal).

Payments by Mortgagee:

12. That in the event of the mortgage monies advanced hereunder, or any part thereof, being applied to the payment of any charge or encumbrance, the Mortgagee shall be subrogated to all the rights of, and stand in the position of and be entitled to all the equities of the party so paid off whether such charge or encumbrance has or has not been discharged, and the decision of the Mortgagee as to the validity or amount of any advance or disbursement made under this Mortgage or of any claim so paid off shall be final and binding upon the Mortgagor.

Accounting for Revenues:

13. That the Mortgagee shall not be charged with any monies receivable or collectible out of the Mortgaged Premises or otherwise except those actually received, and all revenue of the Mortgaged Premises received or collected by the Mortgagee from any source other than payment by the Mortgagor may at the option of the Mortgagee be retained in a suspense account or used in maintaining or insuring or improving the Mortgaged Premises, or in payment of taxes or other charges against the Mortgaged Premises, or applied on the mortgage account, and the Mortgagee shall not be under any liability to pay interest on any sums in a suspense account.

Preparation of Discharges:

14. That any discharge of this Mortgage shall be prepared by the solicitor of the Mortgagee and the Mortgagee shall after receipt of payment in full as expeditiously as in the circumstances is reasonably possible execute and deliver such discharge to the Mortgagor provided interest as then in effect shall continue to run and accrue until actual payment in full has been received by the Mortgagee.

Payments to Mortgagee:

15. That all payments to be made to the Mortgagee are hereby irrevocably directed to be paid to the Mortgagee at 4 Berry Crescent, Fort McMurray, Alberta, T9H 1J9. All payments under this Mortgage should be made before 2:00 o'clock p.m. (Edmonton time) on any day on which the payment is made. In the event the payment is made after 2:00 o'clock p.m. (Edmonton time) on any particular day, it is understood and agreed that the said payment will be deemed to have been made on the next business day following the date on which payment is made. All payments made by mail shall be deemed received on the day and at the time of actual delivery to the Mortgagee at the address at which the Mortgagee shall require payment to be made; provided however, that any payments made by mail and actually delivered to the Mortgagee after 2:00 o'clock p.m. (Edmonton time) on any particular day shall be deemed to have been made on the next business day following the date on which payment was actually received.

Attornment:

16. That for better securing the punctual payment of the mortgage monies the Mortgagor hereby attorns and becomes tenant to the Mortgagee of the Mortgaged Premises at an annual rental equivalent to the annual installments secured hereby, the same to be paid on each day appointed for the payment of each such installment. The legal relation of landlord and tenant is hereby constituted between the Mortgagee and the Mortgagor.

Waiver of Redemption:

17. That the Mortgagor does hereby waive any and all rights, benefits and privileges which may otherwise exist at law or in equity to redeem this Mortgage after any order of any court of competent jurisdiction has been granted for foreclosure or judicial sale of the Mortgaged Premises.

Waiver of Breach:

18. That the waiver by the Mortgagee of the performance of any covenant, proviso, condition or agreement herein contained or implied, shall not abrogate such covenant, proviso, condition or agreement or be a waiver of any subsequent breach of the same.

Extensions of Time:

19. That no extension of time given or alteration of the interest rate or alteration of principal repayment made by the Mortgagee to the Mortgagor or its assigns or any one claiming under him or any other dealing by the Mortgagee with the owner of the said lands shall in any way prejudice or affect the rights of the Mortgagee against the Mortgagor or any other person.

Assignment by Mortgagee:

20. That the Mortgagee, without the consent of the Mortgagor, may assign in whole or in part the debt hereunder, this Mortgage and any security collateral to this Mortgage.

Mortgagor's Representations:

21. The Mortgagor represents and warrants to the Mortgagee that:

21.1 to provide written notice to the Mortgagee immediately upon the Mortgagor becoming aware that the said land or any adjacent property is being or has been contaminated with regulated, hazardous or toxic substances. Subject to the provisions of paragraph 22.2 the Mortgagor will not cause nor permit any activities on the said land which directly or indirectly could result in the said land or any other property being contaminated with regulated, hazardous or toxic substances. For the purposes of this Mortgage, the term "regulated, hazardous or toxic substances" means any substance, defined or designated as hazardous or toxic wastes, hazardous or toxic material, a hazardous, toxic or radioactive substance or other similar term, by any applicable federal, provincial, state or local statute, regulation or ordinance now or hereafter in effect, or any substance or materials, the use or disposition of which is regulated by any such statute, regulation or ordinance; and

21.2 the Mortgagor shall promptly comply with all statutes, regulations and ordinances, and with all orders, decrees or judgments of governmental authorities or courts having jurisdiction, relating to the use, collection, storage, treatment, control, removal or cleanup of regulated, hazardous or toxic substances in, on, or under the said land or in, on or under any adjacent property that becomes contaminated with regulated, hazardous or toxic substances as a result of construction, operations or other activities on, or the contamination of, the said land, or incorporated in any improvements thereon. The Mortgagee may, but shall not be obliged to, enter upon the said land and take such actions and incur such costs and expenses to effect such compliance as it deems advisable and the Mortgagor shall reimburse the Mortgagee on demand for the full amount of all costs and expenses incurred by the Mortgagee in connection with such compliance activities, unless such contamination was present upon the lands at the date of this Mortgage.

Additional Covenants of Mortgagor:

22. That the Mortgagor further covenants and agrees with the Mortgagee as follows:

22.1 the Mortgagor acknowledges that it has been advised by its counsel as to the meaning of Section 49 of the *Expropriation Act*, Alberta, and being fully aware that under the terms of the said Act the Mortgagee may be restricted to recovering the market value of this

Mortgage at the date of any expropriation, the Mortgagor hereby waives the provisions of Section 49 of the *Expropriation Act* and further waives any provisions which may be enacted and in force from time to time in replacement of or in addition to the provisions of the said Section 49 of the *Expropriation Act*;

22.2 in the event that the Mortgaged Premises, or any part thereof which are secured by this Mortgage, are condemned or expropriated to an extent which, in the Mortgagee's sole discretion, materially affects this mortgage security or any collateral security therefor, the full amount of the principal and interest and any other monies secured by this Mortgage then outstanding, shall, at the election of the Mortgagee, be deemed to become due and payable in full on the day before the said lands were expropriated and interest shall accrue thereon, at the rate then in effect, until the Mortgagee has been paid in full and the Mortgagor shall be estopped from denying otherwise;

22.3 the Mortgagor will pay or cause to be paid to the Mortgagee, upon the request of the Mortgagee and from any expropriation the whole of the proceeds thereof and if the Mortgagee elects to accelerate the term of the Mortgage pursuant to the provisions of paragraph 22.2 above, together with such additional funds as will retire the full amount of the principal and interest and any other monies then outstanding hereunder;

22.4 that the Mortgagor, immediately upon obtaining knowledge of the institution of any proceedings for the expropriation of the Mortgaged Premises or any part thereof, will notify the Mortgagee of such proceedings;

22.5 any monies awarded by an order of the Land Compensation Board with respect to all or any part of the Mortgaged Premises to the extent of the full amount of the indebtedness upon this Mortgage and obligation secured hereby remaining unpaid, are hereby assigned by the Mortgagor and shall be paid forthwith to the Mortgagee, its successors and assigns;

22.6 the Mortgagor shall strictly comply with the terms and conditions of all agreements which the Mortgagee has entered into or assumed in relation to the Mortgaged Premises and with any and all requirements imposed upon the Mortgagor pursuant to the approval of any municipal or planning authority having jurisdiction over the subdivision or development of the Mortgaged Premises; and,

22.7 the Mortgagor acknowledges that this Mortgage is granted as part of the consideration due and owing to the Mortgagee pursuant to an offer to purchase dated July 10, 2014 as amended and extended from time to time (the "Purchase Agreement") and the terms of this Mortgage shall not merge in the completion of the sale of the Lands pursuant to the terms of the Purchase Agreement, and the Mortgagor shall have no rights of set-off or abatement howsoever arising, if at all, under the Purchase Agreement.

<u>Extended Definition of Mortgagor:</u>

23. That when the context makes it possible the word "Mortgagee" wherever it occurs in this Mortgage shall include the successors and assigns of the Mortgagee and where applicable the mortgage insurer, its successors and assigns, and the words "Mortgagor" shall include the heirs, executors, administrators, successors and assigns of the Mortgagor and the word "person" shall include any body corporate or politic; and the words in the singular include the plural and words importing the masculine gender include females and all covenants herein contained or implied are to be construed as both joint and several; and the heirs, executors, administrators, successors and assigns of any party executing this Mortgage are jointly and severally bound by the covenants, provisos and agreements herein contained or implied. Reference to any statute includes any successor thereto.

<u>Severability:</u>

24. That if any provision of this Mortgage or the application thereof to any circumstances shall be held to be invalid or unenforceable, then the remaining provisions of this Mortgage, or the application

thereof to other circumstances shall not be affected thereby and shall be held valid and enforceable to the full extent permitted by law.

Consent and Postponement:

25. The Mortgagee, upon request of the Mortgagor, will unconditionally provide its written consent to subdivision or planning approvals sought by the Mortgagor. Further, provided that the Mortgagor is not in default hereunder, the Mortgagee forthwith, following the request of the Mortgagor, execute and deliver to the municipality such postponement of this Mortgage to any easements and utility rights of way as the municipality shall require to accommodate the installation of any roadways or utilities, on, under of through the Mortgaged Premises. No compensation shall be due to the Mortgagee for such postponements of this Mortgage to any easements or utility right of way.

Law of Property Act:

26. That the Mortgagor hereby waives the provisions of subsections (1) to (4) of Section 41 and subsections (1) to (3) of Section 42 of the *Law of Property Act*, Alberta, and all the amendments thereto and all the amendments made subsequent hereto, and all substitutions thereof, and further waives any provisions which may be enacted and in force from time to time in replacement of or in addition to the provisions of the said Section of the *Law of Property Act*.

Due on Sale

27. The Mortgagor acknowledges that the Mortgagee, in advancing the principal sum or any part thereof to the Mortgagor, is relying on the financial ability, in the opinion of the Mortgagee, of the Mortgagor alone to repay the same and the Mortgagor agrees that if the Mortgagor sells, conveys, transfers or assigns the said land, or agrees or purports to do so, to other than an affiliate (as defined in the *Business Corporations Act* (Alberta)) without the prior written consent of the Mortgagee, which consent the Mortgagee in its discretion may arbitrarily or unreasonably withhold, the whole of the principal sum outstanding hereunder together with interest, costs and charges thereon shall, at the option of the Mortgagee, forthwith become due and payable.

Charge:

28. That for better securing to the mortgagee repayment in the manner aforesaid of the principal sum and interest and other mortgage monies, the Mortgagor hereby mortgages to the Mortgagee all its estate and interest in the lands above described.

IN WITNESS WHEREOF the Mortgagor has executed these presents, this 9th day of July, 2014.

1371047 ALBERTA LTD.

Per:

WANDERING RIVER PROPERTIES LTD.

Per:

SCHEDULE "A"

LANDS

THE NORTH EAST QUARTER OF SECTION THIRTY FIVE (35)

TOWNSHIP SEVENTY ONE (71)

RANGE SEVENTEEN (17)

WEST OF THE FOURTH MERIDIAN

CONTAINING 65.2 HECTARES (161 ACRES) MORE OR LESS

EXCEPTING THEREOUT:

(A) 0.417 HECTARES (1.03 ACRES) MORE OR LESS,
AS SHOWN ON ROAD PLAN 498PX
(B) 0.414 HECTARES (1.02 ACRES) MORE OR LESS,
AS SHOWN ON ROAD PLAN 8020469

EXCEPTING THEREOUT ALL MINES AND MINERALS

AND THE RIGHT TO WORK THE SAME.

PERMITTED ENCUMBRANCES

Instrument No.	Instrument	Particulars
532RB	Caveat re: Easement	Caveator: Suncor Energy Inc.
3122RI	Caveat re: Easement	Caveator: ATCO Gas and Pipelines Ltd.
6608UG	Caveat	Caveator: ATCO Gas and Pipelines Ltd.
752 001 834	Caveat	Caveator: Suncor Energy Inc.
762 018 674	Utility Right of Way	Grantee: ICG Utilities (Plains-Western) Ltd.
832 210 206	Caveat re: See Caveat	Caveator: ICG Utilities (Plains-Western) Ltd.

Canada Revenue Agency Agence du revenu du Canada Canada

Welcome to the GST/HST Registry > GST/HST Registry Search >

GST/HST Registry Search Result

GST/HST Number	817020753
Business Name	1371047 Alberta Ltd
Transaction Date	2014-08-01
Result	Registered on the transaction date entered

Our records show this GST/HST number was registered on the transaction date entered.

Please print this screen for your records.

Date Modified: 2012-10-20

SCHEDULE D

COPY OF USED MODULAR'S INVITATION FOR OFFERS LETTER

Used Modulars
Used Modulars Canada

NOTICE OF SEALED BID OFFER

TWO Each– Alta Fab 38-person dormitories

NHAF – 5021-5028, Vintage Feb 2014 NHAF – 4871-878 Vintage Dec 2013

INVITATION FOR SEALED BIDS

Sealed Bid Auction for the purchase of the described assets in the Schedule portion of this Invitation for Sealed Bid opening will occur publicly at the date, time and place as follows:

Closing Date for Tenders will be **Friday August 31, 2018 at 2 P.M.**

Bids must be received by **1:59 P.M. Friday August 31, 2018** at the registered office of Used Modulars Canada - #2020 Tower 1 – 10060 Jasper Avenue T5J 3R8 – Bid opening will take place **Tuesday Sept 4th 10 a.m.** promptly.

Vendors will be contacted on **Tuesday September 4th, 2018** by end of business day (4:30 P.M.) Alberta time.

This Invitation for Sealed Bids is subject to, and all bids submitted must be in compliance with, the Schedule, Special Terms of Sale, Instructions to Bidders, General Terms of Sale, and Bid Forms and Acceptance, all of which are attached hereto and by this reference made a part hereof.

General Information:

Arrangement of viewing of assets can be made through Rod Duhamel via email at rod@usedmodulars.ca. Please include preferred time and date for viewing and list of who will be viewing assets from your corporation.

Mailing: The bid should be placed in a sealed envelope and mailed to the location address #2020 Tower 1 – 10060 Jasper Avenue T5J 3R8. Displayed prominently somewhere on the front of envelope should be displayed: **Bid Pkg. UMC-CAN – 38D - HML**

SCHEDULE

I. The Offering of Two – Alta-Fab manufactured dorms vintage 2013 - NHAF – 5021-5028 "as-is – where is" KM 273 Highway 881 Anzac, AB – Also known as HML Camp

SPECIAL TERMS OF SALE

The bidder shall be prepared to close within 14 days following bid acceptance. Any offer(s) considered by the Monitor for acceptance are subject to Court Approval, which is anticipated to occur on September 21, 2018, or such other date as mutually agreed between the Monitor and the prospective purchaser.

2. Bid Price

The Court appointed Monitor seeks to obtain fair market value for the property and reserves the right to consider, accept or reject any and all bids.

3. Prospective Purchaser's Agreement

As noted above, the acceptance of any Bidder's offers are contingent upon court approval of sale and the Bidder having entered into a Sale Agreement on or before the date of closing.

GENERAL TERMS OF SALE

1. TERMS – "INVITATION FOR SEALED BIDS."

The term "Invitation for Sealed Bids" as used herein refers to the foregoing Invitation for Sealed Bids, and its schedule; the Instructions to Bidders; the general terms of sale set forth herein; and the provisions of the Special Terms of Sale, and Bid Form all as may be modified and supplemented by any addenda that may be issued prior to the time fixed in the Invitation for Sealed Bids for the opening of bids.

2. DESCRIPTIONS IN INVITATION FOR SEALED BIDS.

The description of the property set forth in the Invitation for Sealed Bids and any other Information provided therein with respect to said property are based on information available to us and are believed to be correct, but any error or omission, including but not limited to the omission of any information available to the Court appointed Monitor having custody over the property, shall not constitute ground or reason for non-performance of the contract of sale, or claim by purchaser for allowance, refund, or deduction from the purchase price.

3. INSPECTION

Bidders are invited, urged, and cautioned to inspect the property to be sold prior to submitting a bid. The failure of any bidder to Inspect, or to be fully informed as to the condition of all or any portion of the property offered, will not constitute grounds for any claim or demand for adjustment or withdrawal of a bid after the bid opening or auction. All bidders are required to conduct their own due diligence in regard to the assets subject to this bid process, and the Monitor and Used Modulars Canada Ltd. make no representations as to the quantity, description, quality, title, character, condition, size, or kind, or that the same is in condition or fit to be used for the purpose for which intended.

4. CONDITION OF PROPERTY.

The property Is offered for sale and will be sold "As Is" and "Where Is" without representation, warranty, or guaranty as to quantity, description, quality, title, character, condition, size, or kind, or that the same is in condition or fit to be used for the purpose for which intended, and no claim for any allowance or deduction upon such grounds will be considered after the bid opening or conclusion of an auction.

5. Removal of assets

Buyer will have 30 days from closing the transaction to remove assets, buyer will be responsible for removal of "skirting and framework" from site. Buyer will be responsible to ensure that no damage is made to the site on removal/the site is restored to pre-removal condition once assets are removed. Once the site is inspected post removal, and the Monitor is comfortable that the site is in a reasonable state, the Monitor will issue a certificate to finalize the sale and complete the transaction.

6. Special Considerations

Special consideration on bids will be given if buyer purchases additional modular or related equipment from HML site or other sites considered in the 'Canada North Group of Companies sale" providing that other assets are purchased within a predefined dollar range (undisclosed) – not withstanding the predefined purchase price on the 38-person assets.

7. POSSESSION.

The successful bidder agrees to assume possession of the property as of the date of conveyance.

8. REVOCATION OF BID AND DEFAULT.

In the event of revocation of a bid after the opening of bids but prior to acceptance, or in the event of revocation of a bid after notice of acceptance, or in the event of any default by the successful bidder in the performance of the contract of sale created by such acceptance, or in the event of failure by the successful bidder to consummate the transaction, the next highest bidder will have first right of refusal on purchase of the assets, not withstanding section 6 of this document.

9. **Court process**

Due to the nature of the assets being sold by a Court appointed Monitor, all pending sales are conditional on approval by Court

10. TITLE EVIDENCE.

Any title evidence, desired by the successful bidder, will be procured by the successful bidder at the sole cost and expense of the successful bidder. The Court appointed monitor will, however, cooperate with the successful bidder or his authorized agent in this connection, and will permit examination and inspection of such deeds, abstracts, affidavits of title, or other documents relating to the title of the premises and property involved, as it may have available. It is understood that the Court appointed monitor nor Used Modulars Canada Ltd. will not be obligated to pay for any expense incurred in connection with title matters or survey of the property.

INSTRUCTIONS TO BIDDERS

1. Submittal of Sealed Bids

On the date set and at the time designated for the opening of the sealed bid auction, each prospective bidder is required to submit the bid deposit in the amount and form specified herein.

Outside of envelope containing the sealed bid must be marked: Sealed Bid for Auction with the **Bid Pkg. UMC-CAN – 38D - HML**

2. Bid Form

Each prospective bidder is required to complete and execute, in duplicate, the bid form attached in this Invitation for Bids, and all information and certifications called for thereon must be furnished. Bids submitted in any other manner or which fail to furnish all information or certifications required may be summarily rejected.

Bids shall be filled out legibly with all erasures, strikeovers, and corrections initialed by the person signing the bid and the bid must be manually signed.

Negligence on the part of the bidder in preparing the bid confers no right for withdrawal or modification of the bid.

3. Bid Executed on Behalf of Bidder

A bid executed by an attorney or agent on behalf of the bidder shall be accompanied by an authenticated copy of his Power of Attorney or other evidence of his authority to act on behalf of the bidder.

a. Corporation: If the bidder is a corporation, The person filling out the bid must be a duly authorized officer of the corporation and will show the official character and authority of the officer signing, duly certified by the secretary or assistant secretary.

4. Bid Deposit

The successful bidder will be required to provide a 15% deposit

5. Additional Information

Used Modulars Canada or the Court appointed monitor, will, upon request, provide additional answers concerning the property offered to facilitate preparation of bids. Each bid submitted shall be deemed to have been made with full knowledge of all terms, conditions, and requirements contained in this Invitation for Bids. Additional questions may be made in writing to rod@usedmodulars.ca up until date and time of closing of the bid submissions. All questions must be submitted via email before August 28th at 2 P.M.

6. Notice of Acceptance or Rejection

Notice by Used Modulars Canada Ltd (on behalf of Court appointed trustee) of acceptance of a bid shall be deemed to have been sufficiently given via email to the high bidder or his duly authorized representative at the address indicated in the bid documents. Notice of rejection of a bid shall be deemed sufficiently given when received via email by a representative of Used Modulars Canada Ltd.

7. Waiver of Information or Irregularities

Used Modulars Canada Ltd or the Monitor may, at its election, waive any minor informality or irregularity in bids received.

OFFER TO PURCHASE Bid Pkg. UMC-CAN – 38D - HML

This offer is subject to the procedures, terms and conditions of the "Invitation for Sealed Bids" which is incorporated herein by reference. The undersigned bidder hereby offers and agrees, if this bid is accepted within 3 business days after the date of acceptance of bid, to purchase the sale item indicated above that corresponds with the description of the assets.

Amount of Bid: ______________________ Bid Deposit: 15% due upon acceptance of bid

Name: ____

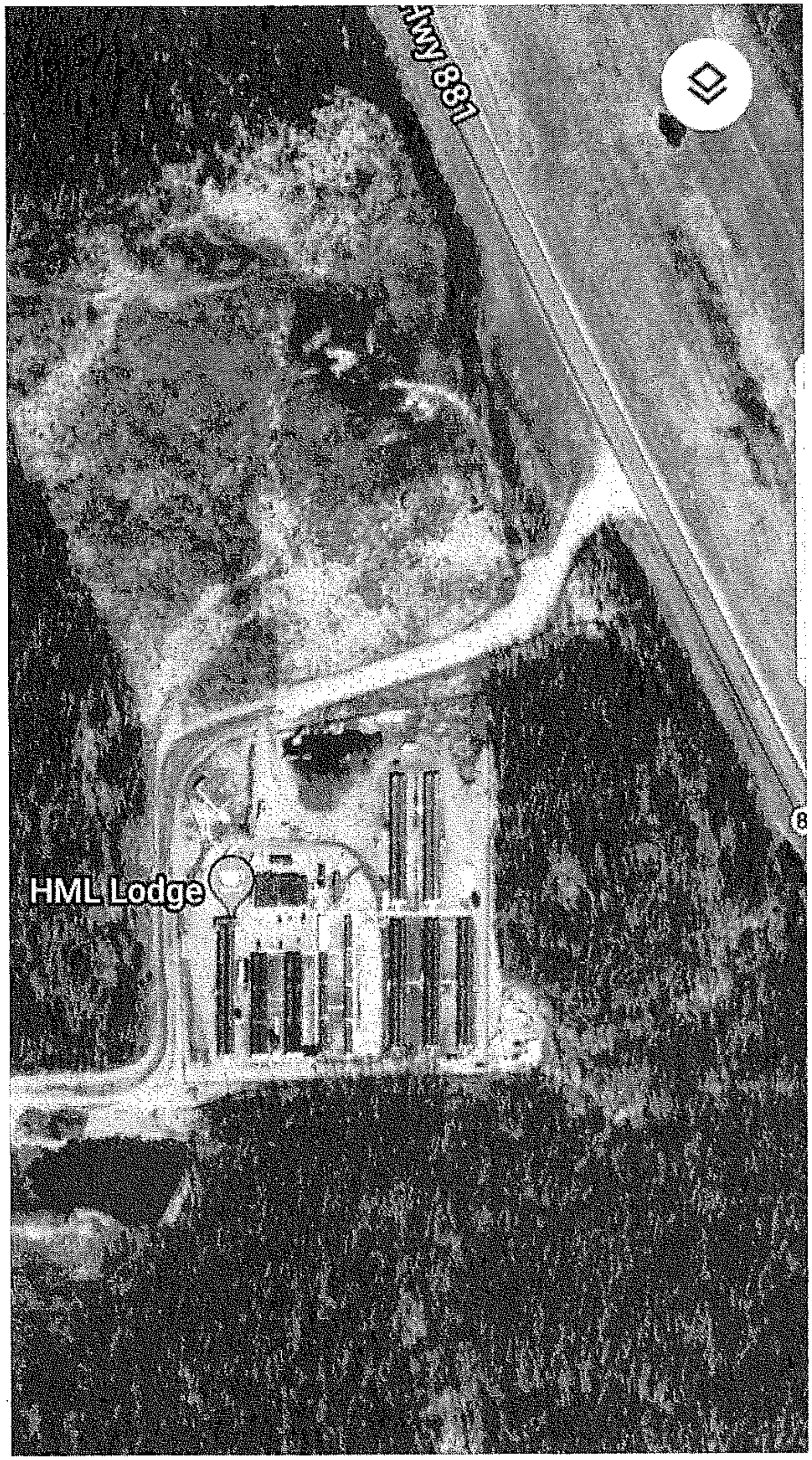
Mailing address: ____

City: _______________________________

Telephone: ___________________________

Signature: ___________________________

Signer's Name & Title: ____


HML Lodge