Clerk's Stamp

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DEC 12 2017
JUDICIAL CENTRE OF EDMONTON
Clerk of the Court of Queen's Bench

COURT FILE NUMBER	1703 12327
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	EDMONTON
	IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED
	AND IN THE MATTER OF A PLAN OF ARRANGEMENT OF CANADA NORTH GROUP INC., CANADA NORTH CAMPS INC., CAMPCORP STRUCTURES LTD., D.J. CATERING LTD., 816956 ALBERTA LTD., 1371047 ALBERTA LTD., and 1919209 ALBERTA LTD.
DOCUMENT	EIGHTH AFFIDAVIT OF SHAYNE McCRACKEN
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Stephanie A. Wanke Oviatt Law #401, 10408 124 Street Edmonton AB T5N 1R5 T 780.809.2219 F 780.669.7215

EIGHTH AFFIDAVIT OF SHAYNE McCRACKEN

Sworn on December 12, 2017

I, Shayne McCracken, Businesswoman, of the City of Edmonton, in the Province of Alberta, MAKE OATH AND SAY THAT:

1. I am a Director and the Secretary of each of the applicants, Canada North Group Inc., Canada North Camps Inc., CampCorp Structures Inc., D.J. Catering Inc., 816956 Alberta Ltd., 1371047 Alberta Ltd., and 1919209 Albert Ltd. (collectively, the "**Companies**") as such, the matters deposed to herein are based on my personal knowledge or on my review of the books and records maintained by the Companies in the ordinary course of their business, entries in which books and records are made reasonably contemporaneously with the Companies' business transactions as they occur, except where stated to be based upon other information and belief, and where so stated, I believe the same to be true.

2. The Companies and Business Development Bank of Canada have finalized the terms of Amendment No. 4 Letter of Offer from BDC dated December 7, 2017 (the "**Fourth Amendment**") which amends that certain offer letter dated June 29, 2017, as previously amended by letter dated July 12, 2017, by letter dated July 21, 2017 and by letter dated September 28, 2017.

3. The Fourth Amendment is attached hereto as Exhibit "A".

4. The Fourth Amendment provides for the attachments of cash flow projections as Schedule A to the Fourth Amendment. That Schedule has not been included in Exhibit "A". The cash flow projections attached as Schedule A to the Fourth Amendment are a more detailed version of the cash flow projections provided at Schedule A of the Sixth Report of the Monitor and have not been provided here as they contain sensitive business information.

5. I swear this Affidavit in support of an Application to approve the Companies entering into the Fourth Amendment and, as a result, increasing the interim financing available to the Companies.

SWORN (OR AFFIRMED) BEFORE ME at Edmonton, Alberta, this 12th day of December, 2017.	)	
(Commissioner for Oaths in and for the Province of Alberta)	)	SHAYNE McCRACKEN
Stephanie A. Wanke Barrister & Solicitor	)	

This is Exhibit "A" referred to in the Affidavit of

Shayne McCracken

Sworn before me this 12 day of December A.D. 2017

Notary Public, Commissioner for Oaths

Stephanie A. Wanke
Barrister & Solicitor

PRIVATE & CONFIDENTIAL

December 7, 2017

Paul McCracken
Canada North Group Inc.
14238 – 134 Avenue
Calgary, AB T5L 5V8

RE: **Debtor-in-Possession Financing – Amendment No. 4**

Dear Paul,

Reference is made to that certain offer letter dated June 29, 2017 (the "**June Offer Letter**") issued by Business Development Bank of Canada ("**BDC**") and accepted by Canada North Group Inc., Canada North Camps Inc., Campcorp Structures Ltd., D.J. Catering Ltd., 1371047 Alberta Ltd. and 816956 Alberta Ltd. (collectively, "**Canada North**" or the "**Borrower**"), as amended by that certain first amendment letter dated July 12, 2017, that certain second amendment letter dated July 21, 2017 and that certain third amendment letter dated September 28, 2017 (such amendments, collectively with the June Offer letter, are referred to as the "**Original Offer Letter**"). Capitalized terms used herein but not defined shall have the meaning given to such terms in the Original Offer Letter.

As an accommodation to the Borrower, BDC hereby agrees to amend the Original Offer Letter as follows (the Original Offer Letter as amended by this letter being collectively the "**Offer Letter**"):

Description of Loan & Loan Purpose

The second paragraph in the Original Offer letter and the chart immediately below such paragraph is hereby deleted in its entirety and replaced with the following:

*Based on the information provided by The Borrower and EY, Business Development Bank of Canada ("**BDC**") is prepared to offer the Borrower, on a joint and several basis, debtor-in-possession financing in the aggregate amount of up to $3,500,000 consisting of two tranches: (i) a non-revolving loan in an amount of up to $3,000,000 ("**Tranche 1**"); and (ii) a non-revolving loan in an amount of up to $500,000 ("**Tranche 2**" and collectively with Tranche 1 the "**DIP Loan**") according to the terms and conditions set forth in this letter of offer (the "**Letter of Offer**").*

Loan Purpose		**Funding**	
Financing only of the day-to-day expenses of the Borrower in accordance with the cash flow projection approved and	*$3,000,000*	*Tranche 1*	*$3,000,000*

recommended by EY and filed with the Court in support of the request for DIP financing (the "Cash Flow Projection"), attached hereto as Schedule "A" (the "Project"), subject to the terms and conditions of the Letter of Offer			
Same purpose as Tranche 1	$ 500,000	Tranche 2	$ 500,000
Total	$3,500,000	Total	$3,500,000

Amount of the Loan:

The section in the Original Offer Letter entitled "Amount of Loan" is hereby deleted in its entirety and replaced with the following:

Tranche 1 - $3,000,000

Tranche 2 - $500,000

Term

The section in the Original Offer Letter entitled "Term" is hereby deleted in its entirety and replaced with the following:

*The term of the DIP Loan shall be that period commencing on the date of issuance of the DIP Order (as hereinafter defined) and ending on the earliest of (such ending date, the "**Maturity Date**"):*

(a) May 31, 2018 or such later date as may be agreed to in writing by BDC and the Borrower;

*(b) the effective date of a plan of arrangement for the Borrower under the CCAA and the expiry of all relevant appeal periods in relation thereto (a "**Plan of Arrangement**");*

*(c) the closing of a sale of assets or equity interests that results in a change in control of the business conducted by the Borrower (a "**Sale Transaction**"); or*

(d) the occurrence of an Event of Default (as hereinafter defined).

Interest

The section in the Original Offer Letter entitled "Interest" is hereby deleted in its entirety and replaced with the following:

Interest is payable monthly, and is comprised of the BDC Floating Base Rate plus an interest rate variance of 5.70%. "BDC Floating Base Rate" *means the annual interest rate announced from time to time by BDC in its branches as being its floating prime rate applicable to each of the floating interest rate plans of BDC in effect at the time for the purpose of determining the floating interest rates on loans in Canadian dollars. As of the date hereof, that rate is set at 5.30% per annum so the interest rate applicable to the DIP Loan as of the date hereof would be 11.00%.*

For certainty, the interest rate provided for in this letter shall apply from December 12, 2017.

Security

Paragraph (a) of the section in the Original Offer Letter entitled "Security" is hereby deleted in its entirety and replaced with the following:

(a) *a Court authorized first-ranking, valid, enforceable financing charge with priority over all creditors of the Borrower, in the amount of $3,500,000 (the "**DIP Charge**") charging all the property, assets and undertakings of the Borrower granted pursuant to the DIP Order (as hereinafter defined) that includes standard debtor-in-possession terms and conditions satisfactory to BDC acting reasonably, pursuant to section 50.6 of the BIA or section 11.2 of the CCAA, as the case may be, subject only to an administration charge not to exceed $500,000 (the "**Administration Charge**"); and*

(b) *all existing security held by BDC shal also stand as security for the DIP Loan.*

*(collectively the "**DIP Lender Security**")*

Conditions Precedent

The following is added at the end of the section in the Original Offer Letter entitled "Conditions Precedent":

In addition to the satisfaction of the conditions precedent set out above and prior to any advance of Tranche 2 of the DIP Loan, the following conditions precedent will have been met in a manner satisfactory to BDC in its sole discretion:

(a) *the Borrower shall have provided BDC with an updated comprehensive work plan (which work plan shall include, without limitation, an outline of all necessary steps and milestones and identify the responsible parties for each step) to successfully complete the restructuring of the Borrower, such work plan to be in form and substance satisfactory to BDC in its sole discretion;*

(b) *the Borrower shall have received a binding commitment letter from the investor identified in paragraph 23 of the Fifth Report of the Monitor ("the **Paragraph 23 Investor**") regarding its proposed investment in the Borrower, or such other investor(s) as may be* bdc

acceptable to BDC in its sole discretion, and shall have entered into definitive documentation regarding all the terms and conditions of such investment, such commitment letter and definitive documentation to be in form and substance satisfactory to BDC in its sole discretion; and

(c) the Borrower shall have obtained a Court Order authorizing the advance of Tranche 2 by BDC to the Borrower.

Underlying Conditions

The following is added as paragraph (q) to the section in the Original Offer Letter entitled "Underlying Conditions":

(q) the Borrower shall comply in all respects with the recommendations of the Monitor regarding any actions or steps to be taken as part of the restructuring of the Borrower unless the Borrower has otherwise consulted with BDC and obtained BDC's prior written consent to any alternative action or step proposed by the Borrower.

Paragraph (e) of the section in the Original Offer Letter entitled "Underlying Conditions" is hereby deleted in its entirety and replaced with the following:

(e) the Borrower, with the assistance of the Monitor, shall:

*(i) deliver to BDC a discussion paper outlining the material components of the Borrower's restructuring plan (the "**Discussion Paper**"), acceptable to BDC in its sole discretion, on or before September 8, 2017;*

*(ii) develop an Investment and Sale Solicitation Process ("**ISSP**"), satisfactory to BDC in its sole discretion, and apply to the Court for an order approving the ISSP, as described in the Report of the Chief Restructuring Officer dated September 18, 2017, and the engagement of a solicitation firm and obtain such order on or before September 26, 2017;*

*(iii) deliver to BDC a summary of the offers or investment proposals received by the Borrower through the ISSP or otherwise (including an offer letter from the Paragraph 23 Investor) and an analysis of the Borrower's preferred transaction(s) that will form the basis of a CCAA plan of arrangement (the "**Plan**") on or before December 13, 2017;*

(iv) deliver to BDC all binding commitment letter(s) for the transactions that shall form the basis of the Plan and the corresponding definitive documentation, such commitment letter(s) and definitive documentation to be in form and substance satisfactory to BDC in its sole discretion , on or before January 19, 2018;

(v) the Borrower shall have provided BDC with an updated

comprehensive work plan (which plan shall include, without limitation, an outline of all necessary steps and milestones and identify the responsible parties for each) to successfully complete the restructuring of the Borrower, such plan to be in form and substance satisfactory to BDC in its sole discretion and provided to BDC on or before January 19, 2018;

(vi) file the Plan with the Court on or before February 28, 2018; and

(vii) provide to BDC updates on all activity undertaken and progress made with respect to the ISSP, as requested by BDC

For each of the milestone dates set out in this paragraph (e), BDC may agree to such later date as BDC, in its sole discretion, deems appropriate.

Waiver of Existing Defaults

The Borrower acknowledges that during the month of November 2017, the Borrower failed to comply with the financial covenant in the Original Offer Letter whereby it is required to ensure that the cumulative actual total of receipts for any given rolling four week period shall not vary negatively from the amount forecasted in the Cash Flow Projection for the same period by more than 15% (such failure by the Borrower to comply with the financial covenant being, the "**Breach**"). The Borrower further acknowledges that such Breach constitutes an Event of Default. Notwithstanding the foregoing, BDC hereby waives the Breach on condition that the Borrower acknowledges and agrees that this waiver by BDC shall not constitute or be deemed to constitute any agreement by BDC to forbear from enforcing its rights under the Offer Letter, any of the Loan Documents or at law should one or more other or subsequent breaches occur.

Schedule A – Cash Flow Projection

The Schedule A – Cash Flow Projection attached to the Original Offer Letter is hereby deleted in its entirety and replaced with the Schedule A – Cash Flow Projection attached to this letter.

Offer Letter Amendment Fee

The Borrower agrees to pay a non-refundable Offer Letter Amendment Fee in the amount of $15,000 which Offer Letter Amendment Fee is fully earned as of the date of acceptance of this letter and payable on the date of the first draw of the DIP Loan by the Borrower made after the date hereof.

Confirmations

Except as provided for in this letter, the parties ratify and confirm all of the terms and conditions of the Original Offer Letter and each of the other the Loan Documents and acknowledge and agree that they are and shall remain in full force and effect, unamended.

Without limiting the generality of the foregoing, the Borrower hereby confirms that (i) notwithstanding the terms and conditions of this letter, any security executed and delivered by the Borrower to BDC continues to be legal, valid, binding and enforceable in accordance with the terms thereof and stands as valid and enforceable security for the for all present and future liabilities, obligations and indebtedness owing by the Borrower to BDC and (ii) all representations and warranties given by the Borrower in the Original Offer Letter remain true and correct in all respects as of the date hereof.

Governing Law

This letter as well as the interpretation and exercise of the recourses hereunder shall be subject to and governed by the laws of the Province of Alberta and the laws of Canada applicable therein.

Expiry Date

This letter shall become null and void if it is not accepted by 2 p.m. (Calgary time) on December 11, 2017 and if the Order of the Court of Queen's Bench of Alberta referenced in (e) above has not been obtained by December 12, 2017.

Further Assurances

Upon notice from BDC, the Borrower shall sign (or cause to be signed) all further documents, do (or cause to be done) all further acts, and provide all reasonable assurances as BDC may reasonably require to give effect to this letter and the amendments contemplated hereunder.

Counterparts

This letter may be signed in any number of counterparts and by facsimile or portable electronic document format, each of which when taken together shall constitute one and the same original document.

We trust that the foregoing is acceptable but please contact the undersigned if you have any questions at this time. Otherwise, we look forward to continuing to work with you.

Yours truly,

Robert Prince
Director, Business Restructuring

Russell W. French
Assistant Vice President, Business Restructuring

ACCEPTANCE

To: Business Development Bank of Canada
Business Restructuring
70 York Street, Suite 1202
Toronto, Ontario
M5J 1S9

Attention: Adam Laiken

We certify that all the information provided to BDC is true. We accept the terms set forth in this letter and, without limiting the generality of the foregoing, we specifically acknowledge the events of default described therein.

We further acknowledge that as of today BDC has fully earned the $15,000 non-refundable offer letter amendment fee related to the DIP Loan. The said non-refundable offer letter amendment fee does not create any right in favour of the Borrower and does not require BDC to make any further disbursement of the DIP Loan, as such rights and obligations can only be generated to the extent that the terms and conditions set out in the Offer Letter are met to the complete satisfaction of BDC. Furthermore, by accepting the terms of this letter we acknowledge and agree that the waiver by BDC of the Breach shall not constitute or be deemed to constitute any agreement by BDC to forbear from enforcing its rights under the Offer Letter, any of the Loan Documents or at law should one or more other or subsequent breaches occur.

Accepted in the City of Edmonton on Dec 11, 2017.

CANADA NORTH GROUP INC.

Per: [signature]
Name: S McCRACKEN
Title: DIRECTOR

CANADA NORTH CAMPS INC.

Per: [signature]
Name: S McCRACKEN
Title: DIRECTOR

CAMPCORP STRUCTURES LTD.

Per: [signature]
Name: S McCRACKEN
Title: DIRECTOR

816956 ALBERTA LTD.

Per: [signature]
Name: S McCRACKEN
Title: DIRECTOR

D.J. CATERING LTD.

Per: [signature]
Name: S McCRACKEN
Title: DIRECTOR

1371047 ALBERTA LTD.

Per: [signature]
Name: S McCRACKEN
Title: DIRECTOR