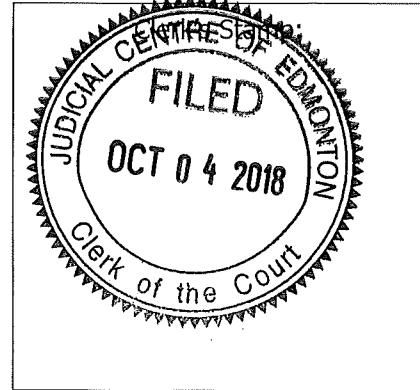


COURT FILE NO. 1703 12327

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON



IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF ARRANGEMENT OF 667402 ALBERTA
LTD., 18512398 ALBERTA LTD., 816956 ALBERTA LTD., 1371047 ALBERTA
LTD., 1919209 ALBERTA LTD. AND CANADA NORTH GROUP LP HOLDINGS
LTD.

DOCUMENT **APPLICATION BY JEFF HADFIELD, SECURED CREDITOR and
JACKIE HADFIELD, SECURED CREDITOR**

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

VERHAEGHE LAW OFFICE
Mayfield Business Centre
#203, 10525 170 Street
Edmonton, AB T5P 4W2

Lawyer: Bradley J. Smith
Telephone: 587 404 1204
Fax: 587 410 2555
Email: bradley@freedomlaw.ca
File No.: 18-08-087

NOTICE TO RESPONDENTS:

This application is made against you. You are a Respondent.

You have the right to state your side of this matter before the Justice.

To do so, you must be in Court when the application is heard as shown below:

Date: October 23, 2018

Time: 10:00 a.m.

Where: Edmonton Law Courts, 1A Sir Winston Churchill Square, Edmonton

Before Whom: The Honourable Justice K.G. Nielsen sitting in Commercial Chambers

Go to the end of this document to see what else you can do and when you must do it.

Remedy claimed or sought:

1. An Order declaring:
 - (a) That the Mortgage held by the Applicants as against lands owned by 1371047 Alberta Ltd. ("**137**") and Wandering River Properties Limited ("**WRP**") (**collectively, the "CNG Companies"**) is a valid and subsisting mortgage and is secured against those lands.
 - (b) That Jeff Hadfield and Jackie Hadfield (**collectively, the "Hadfields"**) are Secured Creditors as defined by the the *Companies' Creditors Arrangement Act* and for the purposes of these proceedings.
 - (c) That the CNG Companies are indebted to the Hadfields in the amount of \$811,000.00 along with costs as between solicitor and his own client on a full indemnity basis.
2. If necessary, time for service of this Application be abridged to the period of notice provided.

Grounds for making this application:

3. 137 is one of the applicant companies in these proceedings and owns 66% of the shares of WRP.
4. At all material times, 137 and WRP each owned a 50% interest in land legally described as:

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
(the "**Land**")

5. At all material times, the Hadfields had a registered mortgage securing the Land up to the principal sum of \$1,340,000.00, plus costs as between solicitor and his own client on a full indemnity basis (**the "Mortgage"**).
6. As at October 3, 2018, the CNG Companies are indebted to the Hadfields pursuant to the Mortgage in the amount of \$811,000.00 along with costs as between solicitor and his own client on a full indemnity basis.
7. The Hadfields are Secured Creditors as defined by the the *Companies' Creditors Arrangement Act*.

Material or evidence to be relied on:

8. Affidavit of Jeff Hadfield, sworn .October 2, 2018
9. The pleadings, affidavits, orders, and other proceedings filed in this action.
10. Such other evidence as may be necessary.

Applicable rules:

11. The *Alberta Rules of Court*.
12. Such other Rules as counsel for the Applicant may advise.

Applicable Acts and Regulations:

13. The *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 , s. 12.
14. The *Land Titles Act*, RSA 2000, c L-4.
15. All other Acts and Regulations identified as being relevant during these proceedings.

Any irregularity complained of or objection relied on:

16. None.

How the application is proposed to be heard or considered:

17. In person, before the Honourable Justice K.G. Nielsen sitting in Commercial Chambers

AFFIDAVIT EVIDENCE IS REQUIRED IF YOU WISH TO OBJECT.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the Applicant what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and time shown at the beginning of the form. If you intend to give evidence in response to the application, you must reply by filing an Affidavit or other evidence with the Court and serving a copy of that Affidavit or other evidence on the Applicant a reasonable time before the application is to be heard or considered.