COURT FILE NO.	1703 12327
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	EDMONTON

Clerk's Stamp

JUDICIAL CENTRE OF EDMONTON
FILED
AUG 21 2019
Clerk of the Court of Queen's Bench

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 **AFFIDAVIT #8 OF JESSIE TAHA**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	McLENNAN ROSS LLP #600 McLennan Ross Building 12220 Stony Plain Road Edmonton, AB T5N 3Y4	Lawyer: Charles P. Russell, Q.C. Telephone: (780) 482-9115 Fax: (780) 733-9757 Email: crussell@mross.com File No.: 165813

AFFIDAVIT OF JESSIE TAHA SWORN ON THE 21 DAY OF AUGUST, 2019

I, JESSIE TAHA, of the City of Edmonton, in the Province of Alberta, SWEAR AND SAY THAT:

1. I am a Senior Assistant Vice President working in the Credit Risk Management area of Canadian Western Bank ("**CWB**"). I have been informed by my review of the CWB files prepared in the ordinary course of business in connection with the loans to the "Applicants" (being those entities set out in the style of cause herein, collectively called "**CNC**") and also have personal knowledge of the matters described herein. I am authorized by CWB to make this Affidavit.

2. In connection with the claims by municipalities for payment of property taxes on the CNC Camps at the Town of Bonnyville ("**Bonnyville**"), the municipality of Opportunity No. 17 ("**Opportunity**") in connection with the Wabasca camp and the County of Athabasca ("**Athabasca**") with respect to the Wandering River camp, settlements have been achieved with (i) each of the municipalities and the equipment lenders whose assets may be categorized as "improvements" for tax purposes, (ii) in the case of Bonnyville and Opportunity, the real property lender Northland Mortgage & Investment Corp. ("**Northland**"), and (iii) in the case of Athabasca, Jeff and Jackie Hadfield (the "**Hadfields**").

3. Attached hereto and marked as **Exhibit "A"** is a true copy of a settlement agreement entered into with respect to the Bonnyville camp (the "**Bonnyville Settlement**").

4. Attached hereto and marked as **Exhibit "B"** is a true copy of a settlement agreement entered into with Opportunity in connection with the Wabasca camps (the "**Opportunity Settlement**").

5. Attached hereto and marked as **Exhibit "C"** is a true copy of a settlement agreement entered into with Athabasca on the Wandering River camp (the "**Wandering River Settlement**).

6. In each case, the settlement contemplates a significant discount on the tax liability claimed by each municipality.

7. I make this Affidavit in support of an application for an order substantively in the form of the Order attached to the application filed coincidental herewith.

SWORN BEFORE ME at the City of Edmonton, in the Province of Alberta the 21 of August, 2019	)))))	
	))	**JESSIE TAHA**
A Commissioner for Oaths in and for the Province of Alberta	))	

Charles P. Russell, Q.C.
Barrister and Solicitor

This is **Exhibit "A"** referred to in the Affidavit of Jessie Taha sworn before me on the 21 of August, 2019.

A Commissioner for Oaths in and for the Province of Alberta

Charles P. Russell, Q.C.
Barrister and Solicitor

THIS AGREEMENT DATED EFFECTIVE THE __ DAY OF AUGUST, 2019

BETWEEN:

THE TOWN OF BONNYVILLE
("Bonnyville")

OF THE FIRST PART

– and –

CANADIAN WESTERN BANK
("CWB")

OF THE SECOND PART

– and –

GREAT WHITE SAND TIGER LODGING LTD.
("Sand Tiger")

OF THE THIRD PART

– and –

AURORA LODGING INC.
("Aurora")

OF THE FOURTH PART

– and –

NORTHLAND MORTGAGE & INVESTMENT CORP.
("Northland")

OF THE FIFTH PART

SETTLEMENT AGREEMENT

WHEREAS Canada North Camps Inc. (now known as 1851239 Alberta Ltd.) and some of its affiliates, including 1371047 Alberta Ltd., (collectively, "**CNC**") have operated camps for accommodation of workers on six parcels of land owned by 1371047 Alberta Ltd. within the municipal limits of Bonnyville legally described as Plan 1324161, Block 4, Lots 1 through 6 (the "**Bonnyville Camp**");

AND WHEREAS tax levies and penalties have accrued and remain unpaid in the amount of $678,327.83 (the "**Tax Liability**") arising in connection with the Bonnyville Camp;

AND WHEREAS the parties have agreed to a compromise of payment of the Tax Liability on the terms hereinafter set out, which settlement shall be subject to Court approval;

NOW THEREFORE WITNESS THAT in consideration of the mutual covenants set out below, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. The terms of the preamble hereof form part of this Agreement and are incorporated herein.

2. The Tax Liability attributable to levies and penalties now outstanding with regard to improvements on the subject lands, shall be compromised by payment of the sum of $205,000 in full and final satisfaction thereof, as follows:

   (a) by CWB, $110,000;

   (b) by Aurora, $55,000;

   (c) by Sand Tiger, $40,000;

   (the "**Improvement Payments**").

3. The Tax Liability associated with levies and penalties attributable to the subject lands (but excluding levies and penalties associated with the improvements) shall be compromised and reduced to $282,454.96 (the "**Land Tax Liability**"). Payment of the Land Tax Liability shall be deferred until the lands, or any of the parcels comprising the

lands, giving rise to such liabilities are sold through the CCAA Action, through a subsequent foreclosure action or other sale of the lands, or until Bonnyville proceeds with an auction of the lands in accordance with the provisions of the *Municipal Government Act*, whichever should come first, and shall be payable, together with any future penalties which Bonnyville is entitled to charge under its bylaws, from the proceeds of sale of the lands in priority to any claim of any of these parties.

4. Ernst & Young Inc. as monitor ("the "**Monitor**") appointed in the *Companies' Creditors Arrangement Act* ("**CCAA**") proceedings in Court of Queen's Bench of Alberta Action No. 1703 12327 (the "**CCAA Action**") is currently holding in trust certain monies derived from the sale of Aurora collateral located at the Bonnyville Camp (the "**Aurora Funds**"). The parties agree that they will apply for an Order on or about August 22, 2019 seeking approval in the CCAA Action of disbursal of the Aurora Funds by the Monitor, the first $55,000 to Bonnyville in satisfaction of Aurora's obligation for its Improvement Payment, and the balance to Aurora. The parties agree to seek the consent of the Monitor to such an Order.

5. On or about August 22, 2019, the parties will seek a Court Order approving of this settlement in the CCAA Action, including an Order directing payment of the $110,000 Improvement Payment due from CWB, from funds otherwise held by the Monitor, with a direction to the Monitor to account for such payment as being an interim distribution to CWB of its ultimate entitlement to proceeds derived in the CCAA Action.

6. Sand Tiger shall fund its $40,000 Improvement Payment by making payment directly to Bonnyville, forthwith upon court approval of this settlement.

7. The parties agree that they will also seek an order in the CCAA Action, relieving Bonnyville of any liability for an allocation of costs incurred in the CCAA Action, on the basis that Bonnyville has compromised the Tax Liability to the extent required to relieve it of any further obligation by way of a cost allocation in the CCAA Action.

8. The parties agree that they will execute such further documents and undertake such further acts as may be necessary or required to give full force and effect to this settlement.

9. This Settlement Agreement may be executed in counterparts, and each executed counterpart shall have the same force and effect as the original instrument as if both of the parties had signed the same instrument. The exchange of copies of this Settlement Agreement and of the signature pages by facsimile transmission, by electronic mail in portable document format (.PDF), or by any other means shall constitute effective execution and delivery of this Settlement Agreement to the parties and may be used in lieu of the original document for all purposes.

IN WITNESS WHEREOF the parties have executed this agreement as of the day and year first above written.

THE TOWN OF BONNYVILLE

Per: ______________________________

CANADIAN WESTERN BANK

Per: ______________________________

GREAT WHITE SAND TIGER LODGING LTD.

Per: ______________________________

AURORA LODGING INC.

Per: ______________________________

NORTHLAND MORTGAGE & INVESTMENT CORP.

Per: ______________________________

IN WITNESS WHEREOF the parties have executed this agreement as of the day and year first above written.

THE TOWN OF BONNYVILLE

Per: ______________________________

CANADIAN WESTERN BANK

Per: ______________________________

GREAT WHITE SAND TIGER LODGING LTD.

Per: ______________________________

AURORA LODGING INC.

Per: ______________________________

NORTHLAND MORTGAGE & INVESTMENT CORP.

Per: ______________________________

IN WITNESS WHEREOF the parties have executed this agreement as of the day and year first above written.

THE TOWN OF BONNYVILLE

Per: ________________________________

CANADIAN WESTERN BANK

Per: ________________________________

GREAT WHITE SAND TIGER LODGING LTD.

Per: ________________________________

AURORA LODGING INC.

Per: ________________________________

NORTHLAND MORTGAGE & INVESTMENT CORP.

Per: ________________________________

IN WITNESS WHEREOF the parties have executed this agreement as of the day and year first above written.

THE TOWN OF BONNYVILLE

Per: ______________________________

CANADIAN WESTERN BANK

JESSIE TAHA
Senior Assistant Vice President
Credit Risk Management

Per: ______________________________

Wayne Horachek
Assistant Vice President
Credit Risk Management

GREAT WHITE SAND TIGER LODGING LTD.

Per: ______________________________

AURORA LODGING INC.

Per: ______________________________

NORTHLAND MORTGAGE & INVESTMENT CORP.

Per: ______________________________

This is **Exhibit "B"** referred to in the Affidavit of Jessie Taha sworn before me on the 21 of August, 2019.

)
)
A Commissioner for Oaths in and)
for the Province of Alberta)

Charles P. Russell, Q.C.
Barrister and Solicitor

THIS AGREEMENT DATED EFFECTIVE THE 19 TH DAY OF AUGUST, 2019

BETWEEN:

THE MUNICIPAL DISTRICT OF OPPORTUNITY NO. 17
("**Opportunity**")

OF THE FIRST PART

– and –

CANADIAN WESTERN BANK
("**CWB**")

OF THE SECOND PART

– and –

VERSABANK
("**VersaBank**")

OF THE THIRD PART

– and –

NORTHLAND MORTGAGE & INVESTMENT CORP.
("**Northland**")

OF THE FOURTH PART

SETTLEMENT AGREEMENT

WHEREAS Canada North Camps Inc. (now known as 1851239 Alberta Ltd.) and some of its affiliates (collectively, "**CNC**") have owned and operated a camp for accommodation of workers within the municipal limits of Opportunity on lands legally described as Plan 9920455, Lot 2 (the "**Wabasca Camp Lands**") and CNC is the owner of other unimproved lands legally described as Plan 0325037, Block 2, Lot 1 (the "**Unimproved Lands**");

AND WHEREAS tax levies and penalties have accrued and remain unpaid in the amount of $80,193.11 in respect to the Wabasca Camp Lands (the "**Wabasca Camp Taxes**") and $12,431.33 in respect to the Unimproved Parcel (the "**Unimproved Land Taxes**") (referred to collectively with the Wabasca Camp Taxes as the "**Tax Liability**");

AND WHEREAS the parties have agreed to a compromise of payment of the Tax Liability on the terms hereinafter set out, which settlement shall be subject to Court approval;

NOW THEREFORE WITNESS THAT in consideration of the mutual covenants set out below, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. The terms of the preamble hereof form part of this Agreement and are incorporated herein.

2. Opportunity shall compromise the Wabasca Camp Taxes and shall accept as payment in full and final satisfaction of the Wabasca Camp Taxes the total amount of $76,788.95, with such amount being apportioned as follows:

    (a) The Wabasca Camp Taxes attributable to levies and penalties now outstanding with regard to improvements on the Wabasca Camp Lands, shall be compromised by payment of the cumulative sum of $38,394.48 in full and final satisfaction thereof, as follows:

        (i) by CWB, $19,197.24;

(ii) by VersaBank, $19,197.24 to be paid upon receipt by the Monitor from the anticipated insurance settlement proceeds to be received in respect to the improvements owned by VersaBank;

(the "**Improvement Payments**").

(b) The Wabasca Camp Taxes associated with levies and penalties attributable to the Wabasca Camp Lands (but excluding levies and penalties associated with the improvements) shall be compromised and reduced to $38,394.47 (the "**Wabasca Camp Land Tax Liability**"). Payment of the Wabasca Camp Land Tax Liability shall be deferred until the lands giving rise to such liabilities are sold through the CCAA Action, through a subsequent foreclosure action or other sale of the lands, or until Opportunity proceeds with an auction of the lands in accordance with the provisions of the *Municipal Government Act*, whichever should come first, and shall be payable, together with any future penalties which Opportunity is entitled to charge under its bylaws, from the proceeds of sale of the lands in priority to any claim of any of these parties.

3. Opportunity shall compromise the Unimproved Land Taxes and shall accept as payment in full and final satisfaction of the Unimproved Land Taxes the total amount of $11,878.94. Payment of the Unimproved Land Taxes shall be deferred until the lands giving rise to such liabilities are sold through the CCAA Action, through a subsequent foreclosure action or other sale of the lands, or until Opportunity proceeds with an auction of the lands in accordance with the provisions of the *Municipal Government Act*, whichever should come first, and shall be payable, together with any future penalties which Opportunity is entitled to charge under its bylaws, from the proceeds of sale of the lands in priority to any claim of any of these parties.

4. On or about August 22, 2019, the parties will seek a Court Order approving of this settlement in the CCAA Action, including an Order directing payment of the $38,394.48 Improvement Payments due from CWB and VersaBank, from funds otherwise held by the Monitor, with a direction to the Monitor to account for such payment as being an

interim distribution to CWB and VersaBank of each party's respective ultimate entitlement to proceeds derived in the CCAA Action.

5. The parties agree that they will also seek an order in the CCAA Action, relieving Opportunity of any liability for an allocation of costs incurred in the CCAA Action, on the basis that Opportunity has compromised the Tax Liability to the extent required to relieve it of any further obligation by way of a cost allocation in the CCAA Action and on the basis that all of the Tax Liability is comprised of taxes that have accrued during the course of the CCAA Action.

6. The parties agree that they will execute such further documents and undertake such further acts as may be necessary or required to give full force and effect to this settlement.

7. This Settlement Agreement may be executed in counterparts, and each executed counterpart shall have the same force and effect as the original instrument as if both of the parties had signed the same instrument. The exchange of copies of this Settlement Agreement and of the signature pages by facsimile transmission, by electronic mail in portable document format (.PDF), or by any other means shall constitute effective execution and delivery of this Settlement Agreement to the parties and may be used in lieu of the original document for all purposes.

IN WITNESS WHEREOF the parties have executed this agreement as of the day and year first above written.

THE MUNICIPAL DISTRICT OF OPPORTUNITY NO. 17

Per: William Kostiw

CANADIAN WESTERN BANK

Per: ______________________________

VERSABANK

Per: ______________________________

NORTHLAND MORTGAGE & INVESTMENT CORP.

Per: ______________________________

IN WITNESS WHEREOF the parties have executed this agreement as of the day and year first above written.

THE MUNICIPAL DISTRICT OF OPPORTUNITY NO. 17

Per: ______________________________

CANADIAN WESTERN BANK

Per: ______________________________

JESSIE TAHA
Senior Assistant Vice President
Credit Risk Management

____

Wayne Horachek
Assistant Vice President
Credit Risk Management

VERSABANK

Per: ______________________________

NORTHLAND MORTGAGE & INVESTMENT CORP.

Per: ______________________________

This is **Exhibit "C"** referred to in the Affidavit of Jessie Taha sworn before me on the 21 of August, 2019.

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A Commissioner for Oaths in and for the Province of Alberta

Charles P. Russell, Q.C.
Barrister and Solicitor

THIS AGREEMENT DATED EFFECTIVE THE 29 DAY OF AUGUST, 2019

BETWEEN:

ATHABASCA COUNTY
(“**Athabasca**”)

OF THE FIRST PART

– and –

CANADIAN WESTERN BANK
(“**CWB**”)

OF THE SECOND PART

– and –

ECN FINANCIAL INC.
(“**ECN**”)

OF THE THIRD PART

– and –

726 REMOTE ACCOMODATIONS LTD.; 726 MODULAR FINANCE CANADA LTD.
And **RELIANT ASSET MANGEMENT LLC**
(“**726**”)

OF THE FOURTH PART

– and –

JEFF HADFIELD and **JACKIE HADFIELD**
(the “**Hadfields**”)

OF THE FIFTH PART

SETTLEMENT AGREEMENT

WHEREAS Canada North Camps Inc. (now known as 1851239 Alberta Ltd.) and some of its affiliates, including 1371047 Alberta Ltd., (collectively, "**CNC**") have operated a camp for accommodation of workers (the "**Wandering River Camp**") on a parcel of land owned by 1371047 Alberta Ltd. and Wandering River Properties Ltd. within the municipal limits of Athabasca legally described as 4; 17; 71; 35; NE (the "**Lands**");

AND WHEREAS Ernst & Young Inc. has been appointed as monitor ("the "**Monitor**") in proceedings under the *Companies' Creditors Arrangement Act* in Court of Queen's Bench Action No. 1703-12327 (the "**CCAA Action**");

AND WHEREAS tax levies and penalties have accrued and remain unpaid in the amount of $751,237.74 (the "**Tax Liability**") arising in connection with the Athabasca Camp;

AND WHEREAS the parties have agreed to a compromise of payment of the Tax Liability on the terms hereinafter set out, which settlement shall be subject to Court approval;

NOW THEREFORE WITNESS THAT in consideration of the mutual covenants set out below, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. The terms of the preamble hereof form part of this Agreement and are incorporated herein.

2. The Tax Liability attributable to levies and penalties now outstanding with regard to the subject lands, shall be compromised by payment of the sum of $650,000 in full and final satisfaction thereof, as follows:

    (a) From the sale of the improvements owned by CNC and ECN:

        (i) $144,951.00, being 30% of the already realized sale proceeds, which currently total $483,170.00; and

        (ii) 50% of the sale proceeds from any future sale up to a maximum future payment to Athabasca of $208,000.00;

(b) From 726 and in respect to the improvements owned by 726 that remain at the Wandering River Camp;

(i) $79,561.73, being 50% of the payment of $159,123.46 to be paid by 726 to CNC; and

(ii) $40,000.00, which shall be paid by 726 directly to Athabasca, forthwith upon court approval of this settlement

(the payments set out under (a) and (b) above are referred to collectively as the "**Improvement Payments**").

(c) All remaining amounts of the compromised Tax Liability not recovered by Athabasca through the Improvement Payments, up to a maximum amount of $385,487.27, shall be recoverable as against the Lands (the "**Land Tax Liability**").

3. Payments pursuant to Section 2(a)(ii) and 2(b)(i) shall paid to Athabasca by the Monitor as improvements are sold and payments need only be paid by the Monitor periodically once accumulated proceeds from the sale of improvements justify the administrative costs of doing so, at the discretion of the Monitor.

4. Effective immediately upon payment of the Improvement Payments in accordance with Section 2 of this Settlement Agreement, Athabasca hereby forever fully, finally and unconditionally remises, releases, acquits, waives and forever discharges CWB, ECN and 726 and their respective subsidiaries, affiliated and associated corporations and entities and each of their respective officers, directors, shareholders, employees, servants, agents, advisors, successors and assigns, both present and former of any and all causes of action, suits, debts, duties, accounts, bonds, dues, covenants, contracts, rights, costs and expenses, judgments, claims, proceedings, obligations and demands howsoever arising of every nature and kind whatsoever which Athabasca ever had in respect to the Tax Liability. For clarity, this section shall apply: in the case of CWB, upon satisfaction of Sections 2(a) and 2(b)(i); in the case of ECN, upon satisfaction of Section 2(a)(i); and in the case of 726, upon satisfaction of Section 2(b).

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5. Payment of the Land Tax Liability shall be deferred until the Lands are sold through the CCAA Action, through a subsequent foreclosure action or other sale of the Lands, or until Athabasca proceeds with an auction of the Lands in accordance with the provisions of the *Municipal Government Act*, whichever should come first, and shall be payable, together with any future levies and penalties which Athabasca is entitled to charge under its bylaws, from the proceeds of sale of the Lands in priority to any claim of any of these parties.

6. Effective immediately upon payment of the Land Tax Liability in accordance with Sections 2(c) and 4 of this Settlement Agreement, Athabasca hereby forever fully, finally and unconditionally remises, releases, acquits, waives and forever discharges the Hadfields and their heirs and successors of any and all causes of action, suits, debts, duties, accounts, bonds, dues, covenants, contracts, rights, costs and expenses, judgments, claims, proceedings, obligations and demands howsoever arising of every nature and kind whatsoever which Athabasca ever had in respect to the Tax Liability.

7. On or about August 22, 2019, the parties will seek a Court Order approving of this settlement in the CCAA Action, including an Order directing payment of the $144,951.00 portion of the Improvement Payment that is immediately due and payable from proceeds currently held by the Monitor from the sale of improvements from the Wandering River Camp charged to ECN and CWB by CNC by the Monitor, with a direction to the Monitor to account for such payment as being an interim distribution to CWB and ECN of their ultimate entitlement to proceeds derived in the CCAA Action.

8. The parties agree that they will also seek an order in the CCAA Action, relieving Athabasca of any liability for an allocation of costs incurred in the CCAA Action, on the basis that Athabasca has compromised the Tax Liability to the extent required to relieve it of any further obligation by way of a cost allocation in the CCAA Action.

9. The parties agree that they will execute such further documents and undertake such further acts as may be necessary or required to give full force and effect to this settlement.

10. This Settlement Agreement may be executed in counterparts, and each executed counterpart shall have the same force and effect as the original instrument as if both of the parties had signed the same instrument. The exchange of copies of this Settlement Agreement and of the signature pages by facsimile transmission, by electronic mail in portable document format (.PDF), or by any other means shall constitute effective execution and delivery of this Settlement Agreement to the parties and may be used in lieu of the original document for all purposes.

IN WITNESS WHEREOF the parties have executed this agreement as of the day and year first above written.

ATHABASCA COUNTY

Per: ______________________

CANADIAN WESTERN BANK

Per: ______________________

ECN FINANCIAL INC.

Per: ______________________

726 REMOTE ACCOMODATION LTD.

Per: ______________________

726 MODULAR FINANCE CANADA LTD.

Per: ______________________

RELIANT ASSET MANAGEMENT LLC

Per: ______________________

JEFF HADFIELD and **JACKIE HADFIELD**

Per: ______________________

Per: ______________________

IN WITNESS WHEREOF the parties have executed this agreement as of the day and year first above written.

ATHABASCA COUNTY

Per: ______________________________

CANADIAN WESTERN BANK

Per: ______________________________

ECN FINANCIAL INC.

Per: ______________________________
Adam Fleming, VP- Special Accounts

726 REMOTE ACCOMODATION LTD.

Per: ______________________________

726 MODULAR FINANCE CANADA LTD.

Per: ______________________________

RELIANT ASSET MANAGEMENT LLC

Per: ______________________________

JEFF HADFIELD and **JACKIE HADFIELD**

Per: ______________________________

Per: ______________________________