FILED
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JUDICIAL CENTRE OF EDMONTON
Clerk of the Court

COURT FILE NUMBER	1703 12327
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	EDMONTON
	IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c-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. AND 1919209 ALBERTA LTD.
DOCUMENT	APPLICATION BY NORTHLAND MORTGAGE & INVESTMENT CORP.
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**Witten LLP** Barristers & Solicitors Suite 2500, Canadian Western Bank Place 10303 Jasper Avenue Edmonton, AB T5J 3N6 Solicitors for Northland Mortgage & Investment Corp. ATTN: Coralie Mohr/Kalen Lumsden FILE: 120102-15/DJC/KL PHONE: (780) 428-0501 FAX: (780) 425-0769 cmohr@wittenlaw.com / klumsden@wittenlaw.com

NOTICE TO RESPONDENTS

This application is made against you. You are the 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	**Friday, September 21, 2018**
Time	**10:00 a.m.**
Where	**Law Courts Building, 1A Sir Winston Churchill Square, Edmonton AB**
Before	**The Honourable Justice S.D. Hillier 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 authorizing and directing the monitor appointed in these proceedings, Ernst & Young Inc. (the "Monitor") to pay to Northland Mortgage & Investment Corp. ("Northland") from the net sale proceeds from the sale of the Winterburn Property the amount of $896,941.25 (being $847,320.54 owing on the Bonnyville Mortgage plus legal costs in the amount of $49,620.71) plus interest from and after September 18, 2018 at the per diem date of $362.46 plus legal costs as between solicitor and his own client on a full indemnity basis or such other amount as ordered by this Honourable Court, after the proceeds have been paid out to the first mortgagee, Staheli Construction Co. Ltd.

Grounds for making this application:

2. 1371047 Alberta Ltd. ("137") is one of the applicant companies in these proceedings, and at all material times, owned the land legally described as:

   PLAN 8622655
   BLOCK E
   EXCEPTING THEREOUT ALL MINES AND MINERALS
   AREA: 5.66 HECTARES (13.99 ACRES) MORE OR LESS
   (the "**Winterburn Property"**)

3. At all material times, Northland had a second registered mortgage securing the Winterburn Property for up to the principal sum of $750,000.00, plus interest and costs as between solicitor and his own client on a full indemnity basis (the "**Mortgage**").

4. As at September 18, 2018, 137 is indebted to Northland pursuant to the Mortgage in the amount of $896,941.25 with interest at the per diem rate of $362.46 from this date to and including the date of payment, costs as between solicitor and his own client on a full indemnity basis.

5. The Winterburn Property was sold by 137, and the sale was authorized by this Honourable Court on April 20, 2018 (as amended by an Amending Order dated April 30, 2018) (the **"Winterburn Sale Order"**).

6. In addition to authorizing the sale of the Winterburn Property, the Winterburn Sale Order expanded the powers of the Monitor, upon the filing of the Camp Monitor's Certificate (defined in the Winterburn Sale Order), including the power to receive, collect and take possession of all monies and accounts owed or owing to, inter alia, 137 and to make any distribution or payment required under any Order in these Proceedings.

7. The sale of the Winterburn Property closed, the Camp Monitor's Certificate was filed on May 30, 2018 in these Proceedings and the Monitor is holding the net sale proceeds from the sale.

8. The Winterburn Sale Order directed that the net sale proceeds arising from the sale of the Winterburn Property shall stand in place and stead of the Winterburn Property, and that all claims and encumbrances shall attach to the net sale proceeds with the same

priority that they had as against the Winterburn Property immediately prior to the sale, including the Mortgage.

9. Staheli as first mortgagee has applied to have the proceeds from the sale of the Winterburn Property paid out of Court.

Material or evidence to be relied upon:

10. The Affidavit of Mark Eikeland, sworn September 18, 2018, filed.

11. The Seventeenth Report of the Monitor and any confidential supplement thereto.

12. The Pleadings and Proceedings filed in this Action.

Applicable rules:

13. Rules 6.1, 6.2, 6.3, of the Alberta Rules of Court, Alta Reg 124/2010.

Applicable Acts and regulations:

14. The Companies' Creditors Arrangement Act, RSC 1985, c C-36 , s. 12.

15. The Land Titles Act, RSA 2000, c L-4, including Sections 14, 56, 60 and 104.

16. Such further and other authority as counsel may advise and this Honourable Court may permit.

Any irregularity complained of or objection relied on:

17. None.

How the application is proposed to be heard or considered:

18. In person, before the Honourable Justice S.D. Hillier sitting in Commercial Chambers.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) 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 at the 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(s) a reasonable time before the application is to be heard or considered.