

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. and 1371047 ALBERTA LTD.

DOCUMENT **APPLICATION FOR FIRST EXTENSION AND OTHER RELIEF**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
Stephanie A. Wanke
Spencer Norris
DLA Piper (Canada) LLP
1201 Scotia Tower 2
10060 Jasper Avenue
Edmonton AB T5J 4E5
T 780.429.6822
F 780.702.4379
File No. 37060-00001

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 master/judge.

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

Date: July 27, 2017
Time: 2:00 p.m.
Where: Edmonton Law Courts
1A Sir Winston Churchill Square
Edmonton, AB T5J 0R2
Before Whom: The Honourable Justice S.D. Hillier

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:
 - a. Declaring service of this Application and its supporting materials good and sufficient, and abridging time for notice of this Application to the time actually given;
 - b. Extending the stay of proceedings provided in the Initial Order granted July 5, 2017 up to and including November 3, 2017;
 - c. Adding 1919209 Alberta Ltd. ("**1919**") as an Applicant in these *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 ("**CCAA**") proceedings and having the terms of the Initial Order apply to 1919 as if 1919 was included in the definition of Applicants in the Initial Order from and after the date 1919 is added to the CCAA proceedings;
 - d. Amending the title of these CCAA proceedings to include 1919 as an Applicant;
 - e. Waiving the requirement of the Monitor to publish a notice with respect to 1919 pursuant to s. 23(a)(i) of the CCAA;
 - f. Sealing the Confidential Supplemental to the Second Affidavit of Shayne McCracken sworn July 20, 2017;
 - g. Expanding the stay of proceedings to include:
 - a. all proceedings against Heart Lake CNC Limited Partnership, Heart Lake Group GP Ltd., Wandering River Properties Ltd., and Canada North Group LP Holdings Ltd. (collectively, the "**Third Parties**"); and
 - b. Court of Queen's Bench Action No. 1603 19168 brought by Max Fuel Distributors Ltd. as against Shayne McCracken.
 - h. Setting a process for service for subsequent materials filed in these proceedings.
 - i. Granting such further other relief as this Honourable Court deems just.

Grounds for making this application:

EXTENSION OF STAY

2. An Initial Order was granted pursuant to CCAA on July 5, 2017 whereby the Honourable Mr. Justice K.G. Nielsen on July 5, 2017 (the "**Initial Order**") granted a stay of proceedings until August 3, 2017.
3. The Applicants are now seeking an extension of that stay of proceedings up to and including November 3, 2017.
4. The Applicants have acted, and are acting, in good faith and with due diligence.
5. Circumstances exist that make the order sought appropriate, including:
 - a. The Applicants have been working diligently with both the Monitor and the Chief Restructuring Officer;

- b. The Applicants can likely make a viable Plan of Arrangement if the extension is granted; and
 - c. No creditor will be materially prejudiced by such extension.
6. The timing of the requested extension is both to provide a necessary period of stability and certainty for the Applicants but also for reasons of judicial economy and consistency as the Honourable Justice S.D. Hillier, who is hearing the extension application, is next sitting on the commercial list the week of October 29, 2017.

EXPANDING THE STAY TO THIRD PARTIES

- 7. In these circumstances it is just and reasonable to extend the stay of proceedings to the Third Parties, all of whom are integrated into the camp business of the Applicants.
- 8. Staying the proceedings involving the Third Parties preserves the status quo of the Applicants' business.
- 9. Extending the stay of proceedings to the Third Parties is necessary to permit an orderly restructuring of the Applicants' business and give effect to the remedial purpose of the CCAA.
- 10. Staying the action by Max Fuel Distributors Ltd. as against Shayne McCracken is just and equitable as the claim arises from the operation of the camp business and the balance of the creditors of the Applicants are stayed from enforcing collateral claims against Shayne McCracken.

ADDING 1919209 ALBERTA LTD. AS APPLICANT

- 11. 1919 is an affiliated debtor company of two of the Applicants, 816956 Alberta Ltd. and 1371047 Alberta Ltd.
- 12. 1919 is an insolvent entity and total claims against 1919 exceed \$5,000,000.
- 13. 1919 is, effectively, a holding company that was incorporated to lease camp equipment from Weslease Income Growth Fund LP and, in turn, provide that camp equipment to Canada North Camps Inc. for its use.
- 14. As a result, 1919's operations are entirely integrated with those of the other Applicants.
- 15. It is necessary and equitable for the restructuring as a whole to add 1919 as an Applicant. Such further and other grounds as counsel may advise and this Court may permit.

Material or evidence to be relied on:

- 1. Affidavit of Shayne McCracken sworn June 28, 2017 filed;
- 2. Confidential Supplemental Affidavit of Shayne McCracken sworn June 28, 2017, unfiled;
- 3. Affidavit of Russell French sworn June 29, 2017, filed;
- 4. Second Supplemental Affidavit of Shayne McCracken sworn July 4, 2017, filed;
- 5. Pre-filing Report of the proposed Monitor, filed July 4, 2017;
- 6. Affidavit of Brian Nilsson sworn July 4, 2017, filed;

7. Second Affidavit of Shayne McCracken sworn July 20, 2017, filed and served herewith;
8. Confidential Supplemental to the Second Affidavit of Shayne McCracken sworn July 20, 2017, unfiled.
9. The First Report of the Monitor, to be filed.
10. The Second Affidavit of Service of Lynnette Goodwin, to be prepared and filed
11. Such further and other materials as counsel may advise and this Honourable Court permits.

Applicable rules:

12. *Alberta Rules of Court* AR 124/2010, including Rules 1.2, 1.4, 6.1, 6.2 and 11.27.

Applicable Acts and regulations:

13. *Judicature Act*, RSA 2000 c. J-2 , as amended;
14. *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 including ss. 3, 9, 11, 11.02 and 23.
15. Such further other provisions and statutes as counsel may advise.

Any irregularity complained of or objection relied on:

16. Abridgement of time for service, as required.

How the application is proposed to be heard or considered:

17. Before a Justice on the Commercial List

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.