Form 27
[Rules 6.3 and 10.52(1)]

Clerk's Stamp

JUDICIAL CENTRE OF EDMONTON
FILED
JUL 26 2019
Clerk of the Court

COURT FILE NUMBER	1703-12327
COURT	COURT OF QUEEN'S BENCH 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 OF THE TOWN OF BONNYVILLE, ATHABASCA COUNTY, AND THE MUNICIPAL DISTRICT OF OPPORTUNITY NO. 17**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**BROWNLEE LLP** 700, 396th – 11th Avenue SW Calgary, AB T2R 0C5 **Attention: Gregory G. Plester** **Solicitors for the Town of Bonnyville, Athabasca County and the Municipal District of Opportunity No. 17.** Telephone: (403) 232-8300 Fax: (403) 232-8408 E-mail: gplester@brownleelaw.com File No.: 71063-0083/GGP

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 judge.

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

Date:	August 22, 2019
Time:	10:00 a.m.
Where:	Edmonton Courts Centre
Before:	Honourable Mr. 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 or orders declaring that all outstanding property taxes, including all property tax levies, accrued penalties and amounts added to the respective tax rolls, owed to the Town of Bonnyville, Athabasca County and the Municipal District of Opportunity No. 17 (collectively, the "Municipalities") constitute a special lien pursuant to section 348 of the *Municipal Government Act*, RSA 2000, c. M-26, (the "*Municipal Government Act*") against all assets that were the subject of assessment for the purposes of property taxation by each of the Municipalities respectively.

2. An order or orders declaring that a special lien securing any of the unpaid property taxes that attaches to an asset takes priority over any other claim, including any other secured claim but excluding claims of the Crown, in respect to that asset.

3. An order apportioning the outstanding property taxes amongst the various assets in each of the Municipalities that are subject to the special lien established by section 348 of the *Municipal Government Act*.

4. In the alternative, an order directing the Monitor to obtain appraisals or such other information as may be required in order for this Court to reach a determination as to the appropriate apportionment of the outstanding property taxes amongst the various assets that are subject to the special liens established by section 348 of the *Municipal Government Act*.

5. An order confirming that the Municipalities shall be entitled to recover their legal costs and disbursements incurred in this application and in respect to the recovery of all outstanding tax arrears on a solicitor/client basis, that such costs form part of costs of tax recovery proceedings related to the respective parcels of land, and that the Municipalities may add those costs to the respective tax rolls for the lands as part of the overall costs of tax recovery proceedings pursuant to sections 553(1)(f) of the *Municipal Government Act*.

6. An order abridging the time for service of this Application, if necessary, and declaring service of this Application to be good and sufficient.

7. Such further and other orders or direction as this Honourable Court deems just.

Grounds for making this application:

8. Municipalities are required to impose property taxes in respect to all assessable property within the municipality on an annual basis.

9. Property taxes are levied in respect to all assessable land and improvements as set out in Part 9 of the *Municipal Government Act*.

10. Each of the Municipalities are owed outstanding property taxes in relation to lands owned or co-owned by one of the corporations that are subject these proceedings:

   a. In the case of the Town of Bonnyville ("Bonnyville"):

      i. Bonnyville is owed outstanding property taxes in respect to six parcels of land owned by 1371047 Alberta Ltd. legally described as Plan 1324161, Block 4, Lots 1-6 (collectively, the "Bonnyville Lands");

      ii. The current cumulative total outstanding on the tax rolls for the Bonnyville Lands, including all outstanding annual tax levies, penalties and amounts added to the tax roll pursuant to section 553 of the *MGA* is $678,327.83 (the "Bonnyville Taxes"); and

      iii. The Bonnyville Taxes relate to outstanding property tax levies in relation to the Bonnyville Lands from the 2016, 2017, 2018 and 2019 tax years.

   b. In the case of Athabasca County ("Athabasca"):

      i. Athabasca is owed outstanding property taxes in relation to a single parcel of land co-owned by 1371047 Alberta Ltd. and Wandering River Properties Ltd. that is legally described as 4; 17; 71; 35; NE (the "Athabasca Lands");

      ii. Wandering River Properties Ltd. is not a corporation that is subject to these proceedings;

      iii. The current total outstanding on the tax roll for the Athabasca Lands, including all outstanding annual tax levies, penalties and amounts added to the tax roll is $750,508.90 (the "Athabasca Taxes"); and

      iv. The Athabasca Taxes relate to outstanding property tax levies in relation to the Athabasca Lands for the 2015, 2016, 2017, 2018 and 2019 tax years.

   c. In the case of the Municipal District of Opportunity No. 17 ("Opportunity");

      i. Opportunity is owed outstanding property taxes in relation to two parcels of land owned by Canada North Camps Inc., which has changed its name to 1851239

Alberta Ltd., that are legally described as Plan 9920455, Lot 2 ("Parcel 1") and Plan 0325037, Block 2, Lot 1 ("Parcel 2") (collectively, the "Opportunity Lands");

ii. The current cumulative total outstanding on the tax rolls for the Opportunity Lands, including annual tax levies, penalties and amounts added to the tax rolls for the Lands is $89,899.82 (the "Opportunity Taxes"); and

iii. The Opportunity Taxes relate to outstanding property tax levies in relation to the Opportunity Lands for the 2018 and 2019 tax years.

11. The property taxes owed to each of the Municipalities were levied by the Municipalities based on the assessed value of the respective parcels of land and the improvements on them pursuant to Part 9 of the *MGA*. All of the parcels of land and improvements that were assessed by the Municipalities are subject to claims advanced by other creditors that are not subject to these proceedings. Specifically:

a. In the case of Bonnyville:

i. The assets that were subject to assessment by the Town, and which are the basis of the Bonnyville Taxes, include:

1. The six parcels of land comprising the Bonnyville Lands; and

2. Various assessable improvements consisting primarily of pre-fabricated trailers (the "Bonnyville Improvements");

ii. The Bonnyville Improvements and the Bonnyville Lands together make up the facility commonly referred to in these proceedings as the Bonnyville Camp;

iii. The Bonnyville Lands and the Bonnyville Improvements are all subject to claims by other creditors, including the following:

1. The Bonnyville Lands are subject to a mortgage registered by Northland Mortgage and Investment Corporation;

2. The Bonnyville Improvements are subject variously to claims by other creditors, including:

a. Aurora Lodging Inc.;

b. Great White Sand Tiger Lodging Ltd.;

c. 726 Remote Accommodations Ltd.; and

d. Canadian Western Bank.

b. In the case of Athabasca County:

i. The assets that were assessed by the County, and which are the basis of the outstanding Athabasca Taxes, include:

1. The single parcel of land comprising the Athabasca Lands; and

2. Numerous assessable structures, mainly pre-fabricated trailers, used variously as dormitories, recreation facilities, kitchen and dining facilities, offices, storage etc. (the "Athabasca Improvements");

ii. The Athabasca Lands and the Athabasca Improvements together make up the facility that is commonly referred to in these proceedings as the Wandering River Camp;

iii. The Athabasca Lands and the Athabasca Improvements are all subject to claims by other creditors, including the following:

1. The Athabasca Lands are subject to a mortgage registered by Jeffrey Hadfield and Jackie Hadfield; and

2. The Athabasca Improvements are subject variously to claims by other creditors, including:

a. 726 Remote Accommodations Ltd.; and

b. Canadian Western Bank;

c. In the case of Opportunity:

i. The assets that were assessed by the Municipality, and which are the basis of the outstanding Opportunity Taxes, include:

1. The two parcels of land comprising the Opportunity Lands; and

2. Various assessable improvements consisting primarily of pre-fabricated trailers (the "Opportunity Improvements"), all of which are located on Parcel 1;

ii. Parcel 1 and the Opportunity Improvements together make up the facility that is commonly referred to in these proceedings as the Wabasca Camp;

iii. The Opportunity Lands and the Opportunity Improvements are all subject to claims by other creditors, including the following:

1. Parcel 1 is subject to a mortgage registered by Northland Mortgage and Investment Corporation;

2. Parcel 2 is subject to a Caveat Re: Agreement Charging Land registered by Canadian Western Bank; and

3. The Opportunity Improvements are subject to a claim by VersaBank.

12. All or a significant portion of the property taxes owed to each of the Municipalities were levied after the Initial Order pronounced in these Proceedings on July 6, 2017.

13. Taxes, penalties and costs continue to accrue in respect to all of the properties assessed by the Municipalities.

14. Such further and other grounds as counsel may advise and this Honourable Court may permit.

Material or evidence to be relied on:

15. Affidavits of Janice Wetzstein sworn October 23, 2018 and July 24, 2019;

16. Affidavits of Brian Pysyk sworn October 24, 2018 and July 24, 2019;

17. Affidavit of William Kostiw sworn July 24, 2019;

18. The pleadings, proceedings, orders, affidavits, reports and other materials file in the within Action, and in particular, the Monitor's Seventeenth Report, and the affidavits filed in accordance with the Order – Advice and Direction pronounced on September 26, 2018 by the Honourable Justice Hillier in this Action; and

19. Such further and other material as Counsel may advise and this Honourable Court may permit.

Applicable Rules:

20. The *Alberta Rules of Court*, including Rules 1.2, 1.3, 1.4 and Part 6.

21. Such further and other Rules as Counsel may advise and this Honourable Court may permit.

Applicable Acts and Regulations:

22. The *Municipal Government Act*, including, but not limited to, sections 284(1), 346, 348, 414, 553(1)(f) and (2).

23. The *Companies' Creditors Arrangement Act*, RSC 1985, c. C-36.

Any irregularity complained of or objection relied on:

24. None.

How the Application is proposed to be heard or considered:

25. Oral submissions by counsel at an Application in Justice Chambers as agreed and scheduled by counsel and confirmed by the Honourable Mr. Justice S.D. Hillier, scheduled to be heard on August 22 and 23, 2019 before the Honourable Justice Hillier, of the Commercial List.

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 at the time shown at the beginning of the form. If you intend to rely on an Affidavit or other evidence when the Application is heard or considered, you must reply by giving reasonable notice of the material to the Applicant.