FILED
AUG 16 2019
JUDICIAL CENTRE OF EDMONTON
Clerk of the Court
CLERK'S STAMP

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 667402 ALBERTA LTD., 18512398 ALBERTA LTD., 816956 ALBERTA LTD., 1371047 ALBERTA LTD., 1919209 ALBERTA LTD. AND CANADA NORTH GROUP LP HOLDINGS LTD.
DOCUMENT	**<u>REBUTTAL BRIEF OF NORTHLAND MORTGAGE CORPORATION</u>**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**BENNETT JONES LLP** Barristers and Solicitors 4500 Bankers Hall East Calgary, Alberta T2P 4K7 Attention: Ken Lenz Telephone No.: 403-298-3317 Fax No.: 403-265-7219 Client File No.: 86890.1

Special Chambers Application Scheduled for the 20th day of August, 2019
before The Honourable Justice S.D. Hillier

TABLE OF CONTENTS

I. INTRODUCTION

1. Northland Mortgage Corporation ("**Northland**"), submits that the Monitor should be directed to pay property taxes incurred since these proceedings began. This direction is consistent with the Initial Order, dated July 5, 2017 (the "**Initial Order**") [**Tab 1**], consistent with the position of the Monitor that has been taken in these proceedings, and required to avoid actual and real prejudice to Northland. Quite simply, the price of the stay of proceedings is that current tax obligations are paid.

2. With respect to the main application, Northland adopts the position of the municipalities and 726 Remote Accommodations Ltd. ("**726**") as set out in their Briefs. This Brief does not make those arguments again. The narrow point being addressed first arose in the reply Brief of Canadian Western Bank ("**CWB**") and so is addressed here.

II. ISSUE

3. Should the Monitor be required to pay property taxes incurred since these CCAA Proceedings commenced?

III. STATEMENT OF FACTS

Bonnyville Lands

4. Northland holds a first mortgage on Lots 1 to 6 of lands described in these proceedings as the Bonnyville Lands. That mortgage was in the original principal amount of $1,500,000. Northland believes that lots are worth less than $200,000 each. The town of Bonnyville assesses the value of the Bonnyville Lands at over $5 million. Taxes for 2017 and 2018 have been assessed on the basis of this amount, notwithstanding that the camps and structures on these lands have been empty, and there is no prospect of them being used as income generating assets in the foreseeable future. There is no remedy available to retroactively adjust assessed values. While the $678,327.83 tax arrears have been settled, there remains $280,000 in taxes against these Lands. Further penalties will accrue if the property taxes are not paid by January 1, 2020.

5. The arrangement to place camps on the Bonnyville Lands was made not by the owner, but by Canada North and 726 pursuant to a Joint Venture Agreement which appears to have been entered into entirely independently of the owner and mortgagor of the Bonnyville Lands,

1371047 Alberta Ltd. It was also done completely without the knowledge or agreement of Northland.

Opportunity Lands

6. Northland also holds a first mortgage on Parcel 2 of what has been described in these proceedings as the Opportunity Lands. That mortgage is in the original principal amount of $750,000. Northland believes the present value of this land is likely less than the amount owing on the mortgage. This land is assessed at $2.6 million. The taxes assessed against this parcel since these proceedings began are approximately $68,000.

7. On a number of occasions during these proceedings, both orally and in writing, Northland has asked the Monitor to challenge property tax assessments with respect to the Bonnyville Lands and the Opportunity Lands. Email with respect to written communications in this regard are appended as Exhibit "1" to the Affidavit of Mr. Eikeland filed in support of this application.

8. Early in these proceedings, Northland inquired of the Monitor whether taxes would be paid and was advised that they would be required to be a part of the Initial Order. A copy of this email is part of as Exhibit "1".

9. More recently, counsel for Northland has asked the Monitor whether it intends to pay taxes as they are accrued, consistent with the Initial Order in these proceedings. A response was received to this inquiry on Tuesday, August 13, 2019. That response is appended to the Affidavit of Mr. Eikeland at as Exhibit "2".

IV. ARGUMENT

A. <u>Paying Taxes is Consistent with the Initial Order and Normal Practice</u>

10. Paragraph 7 (c) of the Initial Order [**Tab 1**] reads as follows:

> 7. The Applicants shall remit, in accordance with legal requires, or pay:
>
> …
>
> (c) <u>Any amount payable</u> to the Crown in Right of Canada or of any Province thereof or any political subdivision thereof or <u>any other taxation</u>

> authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entities at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.
>
> [*emphasis added*]

This is a standard form Order, applicable in all CCAA Proceedings and known to all professionals active in the insolvency field. It is required as a *quid pro quo* for the stay of proceedings so that secured creditors are not unduly prejudiced.

11. As set out in the Monitor's position email, the powers of the Monitor were expanded by Amended Order Approving Winterburn Sale dated April 30, 2018 (the "**Expanded Powers Order**") [**Tab 2**]. While it may be the case that the Monitor does not have a personal obligation to pay taxes in accordance with these Orders, it cannot be doubted that the terms of the Initial Order continued notwithstanding the Expanded Powers Order. For example, the Expanded Powers Order does not diminish the stay of proceedings, or the various charges applicable in CCAA proceedings. Those continue uninterrupted, as do all other provisions of the Initial Order, unless specifically changed by a subsequent Order. In particular, the duty to pay taxes incurred during the CCAA Proceedings continued.

12. Northland wishes to note that the payment of municipal taxes in insolvency proceedings is common place. Mortgagees who foreclose pay those taxes immediately and add them to the debt, to avoid the occurrence of penalties. Receivers pay taxes for the same reason. Northland is not requesting something extraordinary, but something required in the ordinary course.

B. This is Consistent with the Monitor Position

13. As indicated above, even the Monitor, as any insolvency professional would, indicated to Northland that municipal taxes should be paid consistent with the Initial Order. To be fair, the Monitor at that time did not have the authority to direct the company to pay municipal taxes, but it did have the obligation to report to the Court if the terms of the Initial Order were not being fulfilled. Northland is not aware of any such report.

C. **Required to Avoid Prejudice**

14. The connection between payment of municipal taxes and prejudice to a Mortgagee is apparent. These taxes rank in priority to the Mortgagee's position. If they are not paid that position is diminished. Given the stay of proceedings, Northland is not in a position to do anything about taxes. It is fundamentally unfair to both deprive a secured creditor of its remedies and further prejudice that secured creditor in this manner.

15. The prejudice is connected with the appeal of the assessments. Had Northland commenced foreclosure proceedings in the ordinary course, it would have appealed the assessments immediately because it knew that taxes assessed would rank ahead of its security. The Debtor companies would face similar pressure if they were paying municipal taxes. The fact that municipal taxes are unpaid in this instance frankly leads to a situation where the party with control does not have a financial incentive to minimize expenses. Again, payment of municipal taxes is part of the price of continuing CCAA Proceedings.

D. **Actual Prejudice to Northland**

16. As set out above, the assessed value of the lands for the period of the CCAA proceedings is grossly in excess of their actual value. This lead to large tax bills being assessed. This problem is quite independent of the difficulties with municipal tax legislation where "improvements" attract assessment value even though they are not fixtures.

17. With respect to Bonnyville, the $680,000 tax liability has been reduced to approximately $280,000 as against the lands. Had there been no settlement, taxes would have significantly diminished the value of Northland's security. Penalties will continue to accrue even with the settlement.

18. The taxes with respect to Bonnyville are settled. The taxes with respect to the Opportunity Lands will either be settled by the time of this Application, or will be determined by the Application. It is time for the estate to pay the taxes incurred during the course of the CCAA Proceedings.

E. <u>Cases Cited by CWB</u>

19. CWB cites a number of cases for the proposition that the Court has the authority to suspend payment of tax obligations. Northland does not dispute that proposition as far as it goes. The question before the Court is whether the facts in this case warrant such an exception to the rule.

20. First, it should be noted that the prejudice to Northland is severe. Its position even in terms of settling these tax obligations was diminished. It has no ability to go back and reassess old assessments of value on the Bonnyville lands or the Opportunity Lands.

21. Second, at this late stage, it would be inequitable to retroactively reverse the Court Order. Not only have parties relied upon it because it is a Court Order, Northland has relied upon it because of advice from the Monitor. Furthermore, the Monitor did not until August 13, 2019, expressly take the position that it would not be paying taxes. It is simply too late to take such a position.

22. Third, the cases cited by CWB can all be distinguished as cases where an actual restructuring was underway. This case is a liquidation. There are no larger social purposes being served by granting special dispensation to the prejudice of Northland. The Monitor has the funds in the companies that own the lands to fulfill its ordinary duties and it should do so.

F. <u>This Can be Dealt with at the Allocation Application</u>

23. Northland does not take the position that if the taxes are paid, they cannot be taken into consideration at the ultimate allocation of costs application with respect to these proceedings. As the Court is aware, Northland has not been in favour of these proceedings from the beginning because its security is being eroded for the benefit of others. This Court has found against Northland with respect to this position, on the basis that a larger good will be served by allowing these proceedings to continue.

24. However, it is fundamentally unfair that in addition to being subject to these extraordinarily lengthy and costly proceedings and a future allocation hearing, Northland is prejudiced beyond what is ordinary and expected for a secured creditor. Northland is only

asking for compliance with a Court Order, so it is not further prejudiced while being deprived of its ability to exercise its remedies and preserve its collateral in the ordinary course.

V. RELIEF SOUGHT

25. On the basis of the foregoing Northland Corporation submits:

(a) The Monitor be directed to comply with paragraph 7(c) of the Initial Order.

ALL OF WHICH IS RESPECTFULLY SUBMITTED at Calgary, Alberta this 16th day of August, 2019.

Calgary, Alberta
August 16, 2019

Estimated Time for
Argument: 15 minutes

BENNETT JONES LLP

Per: ______________________
Ken Lenz
Counsel for Northland Mortgage Corporation

VI. TABLE OF AUTHORITIES

TAB

1. Initial Order, dated July 5, 2017

2. Amended Order Approving Winterburn Sale, dated April 30, 2018

VII. COMPENDIUM OF EVIDENCE

A. Affidavit of Mark Eikeland, to be filed

TAB 1

Clerk's Stamp

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	**CCAA INITIAL ORDER**
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

JUDICIAL CENTRE OF EDMONTON
FILED
JUL 06 2017
Clerk of the Court

DATE ON WHICH ORDER WAS PRONOUNCED:	**July 5, 2017**
NAME OF JUDGE WHO MADE THIS ORDER:	**The Honourable Justice K.G. Nielsen**
LOCATION OF HEARING:	**Edmonton, Alberta**

UPON the application of Canada North Camps Inc., D.J. Catering Ltd., Campcorp Structures Ltd., Canada North Group Inc., 816956 Alberta Ltd. and 1371047 Alberta Ltd. (the "**Applicants**"); **AND UPON** having read the Originating Application, the Affidavit of Shayne McCracken sworn June 28, 2017, filed, the Confidential Supplemental Affidavit of Shayne McCracken, unfiled, the Affidavit of Jessie Taha sworn June 29, 2017, the Affidavit of Russell French, sworn June 29, 2017, the Supplemental Affidavit of Shayne McCracken sworn July 4, 2017, the Affidavit of Service sworn by Lynnette Goodwin, filed, and the Pre-filing Report of the proposed Monitor, filed July 4, 2017; **AND UPON** reading the filed consent of Ernst & Young Inc. to act as Monitor; **AND UPON NOTING** that the Court of Queen's Bench in Bankruptcy granted orders in each of the following bankruptcy proceedings commenced under Part III of the *Bankruptcy and Insolvency Act*: 24-2266739, 24-2266736, 24-2266726, and 24-2266743 that those proceedings may be taken up and continued under the *Companies Creditors' Arrangement Act*, R.S.C. 1985, c. C-35 ("***CCAA***"); **AND UPON** hearing from counsel for the Applicants, counsel for Canadian Western Bank, counsel for Business Development Bank of Canada, counsel for Ernst & Young Inc., **IT IS HEREBY ORDERED AND DECLARED THAT:**

SERVICE

1. The time for service of the notice of application for this order is hereby abridged and deemed good and sufficient and this application is properly returnable today.

APPLICATION

2. The Applicants are companies to which the CCAA applies.

PLAN OF ARRANGEMENT

3. The Applicant shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "**Plan**").

POSSESSION OF PROPERTY AND OPERATIONS

4. The Applicants shall:

   (a) remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**");

   (b) subject to further order of this Court, continue to carry on business in a manner consistent with the preservation of their business (the "**Business**") and Property; and

   (c) be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. To the extent permitted by law, the Applicants shall be entitled but not required to pay the following expenses, incurred prior to or after this Order:

   (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and

   (b) the fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges.

6. Except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in

the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

(a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and

(b) payment for goods or services actually supplied to the Applicants following the date of this Order.

7. The Applicants shall remit, in accordance with legal requirements, or pay:

(a) any statutory deemed trust amounts in favour of the Crown in Right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of:

(i) employment insurance,

(ii) Canada Pension Plan, and

(iv) income taxes,

but only where such statutory deemed trust amounts arise after the date of this Order, or are not required to be remitted until after the date of this Order, unless otherwise ordered by the Court;

(b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and

(c) any amount payable to the Crown in Right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

8. Until a real property lease is disclaimed or resiliated in accordance with the CCAA, the Applicants may pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable as rent to the landlord under the lease) based on the terms of existing lease arrangements or as otherwise may be negotiated by the Applicants from time to time for the

period commencing from and including the date of this Order ("**Rent**"), but shall not pay any rent in arrears.

9. Except as specifically permitted in this Order, the Applicants is hereby directed, until further order of this Court:

(a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of the date of this Order;

(b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and

(c) not to grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

10. The Applicants shall subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as hereinafter defined in paragraph 33), have the right to:

(a) permanently or temporarily cease, downsize or shut down any of their business or operations and to dispose of redundant or non-material assets not exceeding **$100,000** in any one transaction or **$500,000** in the aggregate, provided that any sale that is either (i) in excess of the above thresholds, or (ii) in favour of a person related to the Applicants (within the meaning of section 36(5) of the CCAA), shall require authorization by this Court in accordance with section 36 of the CCAA;

(b) terminate the employment of such of their employees or temporarily lay off such of their employees as it deems appropriate on such terms as may be agreed upon between the Applicants and such employee, or failing such agreement, to deal with the consequences thereof in the Plan; and

(c) pursue all avenues of refinancing of their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the "**Restructuring**").

11. The Applicants shall provide each of the relevant landlords with notice of the Applicants' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal. If the landlord disputes the Applicants' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such

landlord and the Applicants, or by further order of this Court upon application by the Applicants on at least two (2) days' notice to such landlord and any such secured creditors. If the Applicants disclaim or resiliates the lease governing such leased premises in accordance with section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in section 32(5) of the CCAA, and the disclaimer or resiliation of the lease shall be without prejudice to the Applicants' claim to the fixtures in dispute.

12. If a notice of disclaimer or resiliation is delivered pursuant to section 32 of the CCAA, then:

(a) during the notice period prior to the effective time of the disclaimer or resiliation, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants and the Monitor 24 hours' prior written notice; and

(b) at the effective time of the disclaimer or resiliation, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicants in respect of such lease or leased premises and such landlord shall be entitled to notify the Applicants of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of their obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

13. Until and including **August 3, 2017**, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Applicants, the parties listed in Schedule "**A**" attached hereto, or the Monitor (collectively, the "**Stay Parties**"), or affecting the Business or the Property, arising out of or in connection with any right, remedy or claim of any person against the Applicants in connection with any indebtedness, indemnity, liability or obligation of any kind whatsoever of the Applicants under contract, statute or otherwise, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by indemnity, guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including the right or ability of any person to advance a claim for contribution, indemnity or otherwise, with respect to any matter, action cause or chose in action, whether existing at present or commenced in future, which indebtedness , indemnity, liability or obligation is derivative of the primary liability of the Applicants, except with leave of this Court, and any and all such Proceedings currently under way against or in respect of

the Stay Parties or affecting the Business or the Property are hereby stayed and suspended pending further order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

14. During the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**"), whether judicial or extra-judicial, statutory or non-statutory against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, provided that nothing in this Order shall:

   (a) empower the Applicants to carry on any business which the Applicants are not lawfully entitled to carry on;

   (b) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by section 11.1 of the CCAA;

   (c) prevent the filing of any registration to preserve or perfect a security interest; or

   (d) prevent the registration of a claim for lien.

15. Nothing in this Order shall prevent any party from taking an action against the Applicants where such an action must be taken in order to comply with statutory time limitations in order to preserve their rights at law, provided that no further steps shall be taken by such party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Monitor at the first available opportunity.

NO INTERFERENCE WITH RIGHTS

16. During the Stay Period, no person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

17. During the Stay Period, all persons having:

   (a) statutory or regulatory mandates for the supply of goods and/or services; or

   (b) oral or written agreements or arrangements with the Applicants, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Business or the Applicants are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the Applicants or exercising any other remedy provided under such agreements or arrangements. The Applicants shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the usual prices or charges for all such goods or services received after the date of this Order are paid by the Applicants in accordance with the payment practices of the Applicants, or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court. Nothing in this Order has the effect of prohibiting a person from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the date of this Order.

NO OBLIGATION TO ADVANCE MONEY OR EXTEND CREDIT

18. Notwithstanding anything else contained in this Order, no creditor of the Applicants shall be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

19. During the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA and paragraph 16 of this Order, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

20. The Applicants shall indemnify their directors and officers against obligations and liabilities that they may incur as directors and or officers of the Applicants after the commencement of the within proceedings except to the extent that, with respect to any officer or director, the obligation was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

21. The directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "Directors' Charge") on the Property, which charge shall not exceed an aggregate amount of **$150,000**, as security for the indemnity provided in paragraph 21 of this Order. The Directors' Charge shall have the priority set out in paragraphs **44** and **46** herein.

22. Notwithstanding any language in any applicable insurance policy to the contrary:

(a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge; and

(b) the Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph **21** of this Order.

APPOINTMENT OF MONITOR

23. Ernst & Young, Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the Property, Business and financial affairs and the Applicants (defined below) with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

24. The Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

(a) monitor the Applicants' receipts and disbursements, Business and dealings with the Property;

(b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein and immediately report to the Court if in the opinion of the Monitor there is a material adverse change in the financial circumstances of the Applicants;

(c) assist the Applicants, to the extent required by the Applicants, in their dissemination to the Interim Lender and its counsel on a monthly basis of financial and other information as agreed to between the Applicants and the Interim Lender which may be used in these proceedings, including reporting on a basis as reasonably required by the Interim Lender;

(d) advise the Applicants in their preparation of the Applicants' cash flow statements and reporting required by the Interim Lender, which information shall be reviewed with the Monitor and delivered to the Interim Lender and its counsel on a periodic basis, as agreed by the Interim Lender;

(e) advise the Applicants in their development of the Plan and any amendments to the Plan;

(f) advise the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;

(g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form and other financial documents of the Applicants to the extent that is necessary to adequately assess the Applicants' Property, Business and financial affairs or to perform its duties arising under this Order;

(h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;

(i) hold funds in trust or in escrow, to the extent required, to facilitate settlements between the Applicants and any other Person; and

(j) perform such other duties as are required by this Order or by this Court from time to time.

25. The Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, or by inadvertence in relation to the due exercise of powers or performance of duties under this Order, be deemed to have taken or maintain possession or control of the Business or Property, or any part thereof. Nothing in this Order shall require the Monitor to occupy or to take control, care, charge, possession or management of any of the Property that might be environmentally contaminated, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal or waste or other contamination, provided however that this Order does not exempt the Monitor from any duty to report or make disclosure imposed by applicable environmental legislation.

26. The Monitor shall provide any creditor of the Applicants and the Interim Lender with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

27. The Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

28. The Monitor, counsel to the Monitor, the CRO, its counsel, if any, and counsel to the Applicants shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicants as part of the costs of these proceedings including the costs incurred by them in the commencement of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants on at least a monthly basis.

29. The Monitor and its legal counsel shall pass their accounts from time to time.

30. The Monitor, counsel to the Monitor, the CRO (defined below) and its counsel, if any, and the Applicants' counsel, as security for the professional fees and disbursements incurred both before and after the granting of this Order, shall be entitled to the benefits of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of **$500,000**, as security for their professional fees and disbursements incurred at the normal rates and charges of the Monitor and such counsel, both before and after the making of this order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs **44** and **46** hereof.

INTERIM FINANCING

31. The Applicants are hereby authorized and empowered to obtain and borrow under a credit facility from Business Development Bank of Canada (the "**Interim Lender**") in order to finance the Applicant's working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed $**1,000,000** unless permitted by further order of this Court.

32. Such credit facility shall be on the terms and subject to the conditions set forth in the letter of offer between the Applicants and the Interim Lender dated June 29, 2017 (the " **Letter of Offer**") attached as Exhibit "A" to the Supplemental Affidavit of Shayne McCracken sworn July 4, 2017.

33. The Applicants are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "**Definitive Documents**"), as are contemplated by the Letter of Offer or as may be reasonably required by the Interim Lender pursuant to the terms thereof, and the Applicants are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations to the Interim Lender under and pursuant to the Letter of Offer and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

34. The Interim Lender shall be entitled to the benefits of and is hereby granted a charge (the "**Interim Lender's Charge**") on the Property to secure all obligations under the Definitive

Documents incurred on or after the date of this Order which charge shall not exceed the aggregate amount advanced on or after the date of this Order under the Definitive Documents. The Interim Lender's Charge shall have the priority set out in paragraphs **44** and **46** hereof.

35. Notwithstanding any other provision of this Order:

(a) the Interim Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the Interim Lender's Charge or any of the Definitive Documents;

(b) upon the occurrence of an event of default under the Definitive Documents or the Interim Lender's Charge or upon the Maturity Date (as defined in the Letter of Offer), the Interim Lender, upon **3** days notice to the Applicants and the Monitor, may exercise any and all of its rights and remedies against the Applicants or the Property under or pursuant to the Letter of Offer, Definitive Documents and the Interim Lender's Charge, including without limitation, to cease making advances to the Applicants and set off and/or consolidate any amounts owing by the Interim Lender to the Applicants against the obligations of the Applicants to the Interim Lender under the Letter of Offer, the Definitive Documents or the Interim Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicants and for the appointment of a trustee in bankruptcy of the Applicants; and

(c) except for the charges provided in paragraphs **44** and **46** hereof, the Applicants are prohibited from granting any additional liens, charges, security interests or any other encumbrances upon any of the assets, property or undertakings of the Applicants, without the prior written consent of the Interim Lender;

(d) the Applicants are prohibited from any further borrowing, without the prior written consent of the Interim Lender;

(e) the Interim Lender is authorized (but not obligated) to effect such registrations, filings and recordings wherever the Interim Lender in its discretion deems appropriate the Letter of Offer and Definitive Documents;

(f) the foregoing rights and remedies of the Interim Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or the Property.

36. The Interim Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicants under the CCAA, or any proposal filed by the Applicants under the *Bankruptcy and Insolvency Act* of Canada (the "**BIA**").

CHIEF RESTRUCTURING OFFICER

37. The Applicants are directed to immediately hire R.e.I. group inc., as Chief Restructuring Officer (the "**CRO**") substantially in accordance with the terms of the draft engagement letter attached as Exhibit "C" to the Affidavit of Shayne McCracken sworn July 4, 2017.

38. The CRO shall:

(a) oversee and advise the Applicants with respect to the restructuring of the Applicants;

(b) evaluate potential restructuring, sale, refinancing and capitalization alternatives that may be available to the Applicants;

(c) assist the Applicants, as necessary, with respect to the marketing and sale of any assets or parts of the business of the Applicants;

(d) assist the Applicants in negotiating and implementing potential refinancing and capitalization alternatives;

(e) provide general commercial advice with respect to the Applicants' long term strategic planning, as requested;

(f) develop of strategies to manage the current liquidity issues facing the Applicants including a review of the current 13 week cash projections and any periodic updates together with supporting information as required;

(g) assist the Applicants as necessary, or, at the request of the Applicants, represent the Applicants in negotiations and discussions with third parties, including creditors, suppliers, customers and other stakeholders, in respect of the restructuring;

(h) assist with the provision of information to and communications with the Monitor, secured lenders, the Interim Lender and other stakeholders, including with respect to ongoing financial reporting;

(i) develop a communications strategy for the Applicants in connection with the restructuring and assist in the management of communications with the secured lenders, unsecured creditors and other key stakeholders;

(j) in conjunction with the Monitor, advise the Applicants in their development of the Plan and any amendments to the Plan;

(k) in conjunction with the Monitor, assist the Applicants, to the extent required by the Applicants, in their dissemination to the Interim Lender and its counsel on a monthly basis of financial and other information as agreed to between the Applicants and the Interim Lender which may be used in these proceedings, including reporting on a basis as reasonably required by the Interim Lender;

(l) in conjunction with the Monitor, advise the Applicants in their preparation of the Applicants' cash flow statements and reporting required by the Interim Lender;

(m) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form and other financial documents of the Applicants to the extent that is necessary to adequately assess the Applicants' Property, Business and financial affairs or to perform its duties arising under this Order;

(n) report to this Court at such times and intervals as the CRO may deem appropriate; and

(o) perform such other duties as are required to carry out the powers and obligations conferred upon the CRO by this Order or any further Order of this Court.

39. The Applicants and its shareholders, officers, directors, employees, agents, representatives and former shareholders, officers, employees, agents and representatives, shall co-operate fully with the CRO in the exercise of its powers and discharge of its duties and obligations.

40. Notwithstanding anything in this Order, the CRO shall not be considered an officer or director of the Applicants, as those terms are used in the *Business Corporation Act* (Alberta), and shall only have the obligations and liabilities as expressly set out in this Order or subsequent order of the Court in this proceeding.

41. The CRO shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its party. Nothing in this Order shall derogate from the protections afforded the CRO by the CCAA or any applicable legislation.

VALIDITY AND PRIORITY OF CHARGES

42. The priorities of the Directors' Charge, the Administration Charge and the Interim Lender's Charge, as among them, shall be as follows:

First – Administration Charge (to the maximum amount of **$500,000**);

Second – Interim Lender's Charge (to the maximum amount of **$1,000,000**); and

Third – Directors' Charge (to the maximum amount of **$150,000).**

43. The filing, registration or perfection of the Directors' Charge, Administration Charge or the Interim Lender's Charge (collectively, the "**Charges**") shall not be required, and the Charges shall be

valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

44. Each of the Directors' Charge, Administration Charge and the Interim Lender's Charge (all as constituted and defined herein) shall constitute a charge on the Property and subject always to section 34(11) of the CCAA such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person.

45. Except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Directors' Charge, Administration Charge or the Interim Lender's Charge, unless the Applicants also obtains the prior written consent of the Monitor, the Interim Lender and the beneficiaries of the Directors' Charge and Administration Charge, or further order of this Court.

46. The Directors' Charge, Administration Charge, the Letter of Offer, the Definitive Documents and the Interim Lender's Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") and/or the Interim Lender thereunder shall not otherwise be limited or impaired in any way by:

(a) the pendency of these proceedings and the declarations of insolvency made in this Order;

(b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications;

(c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA;

(d) the provisions of any federal or provincial statutes; or

(e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

(i) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of any documents in respect thereof, including the Letter of Offer or the Definitive Documents, shall create or be deemed to constitute a new breach by the Applicants of any Agreement to which they are a party;

(ii) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges, or the Applicants entering into the Letter of Offer, or execution, delivery or performance of the Definitive Documents; and

(iii) the payments made by the Applicants pursuant to this order, including the Letter of Offer or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct or other challengeable or voidable transactions under any applicable law.

ALLOCATION

47. Any interested Person may apply to this Court on notice to any other party likely to be affected, for an order to allocate the Administration Charge, the Interim Lender's Charge and the Directors' Charge amongst the various assets comprising the Property.

SERVICE AND NOTICE

48. The Monitor shall (i) without delay, publish in the National Post and the Edmonton Journal for one (1) business day a notice containing the information prescribed under the CCAA; (ii) within five (5) days after the date of this Order (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicants of more than $1,000 and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with section 23(1)(a) of the CCAA and the regulations made thereunder.

49. The Applicants and the Monitor shall be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, facsimile transmission or e-mail to the Applicants' creditors or other interested Persons at their respective addresses as last shown on the records of the Applicants and that any such service or notice by courier, personal delivery, facsimile transmission or e-mail shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing. The Monitor shall establish and maintain a website in respect of these proceedings at **www.documentcentre.eycan.com** and shall post there as soon as practicable:

(a) all materials prescribed by statue or regulation to be made publically available; and

(b) all applications, reports, affidavits, orders or other materials filed in these proceedings by or behalf of the Monitor, or served upon it, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.

SEALING ORDER

50. The Confidential Supplemental Affidavit of Shayne McCracken sworn on June 28, 2017 (the "**Sealed Documents**") shall be sealed on the Court file until the termination of the proceedings, notwithstanding Division 4 of Part 6 of the *Alberta Rules of Court*. The Sealed Documents shall be kept confidential and shall not form part of the public record, but rather shall be placed, separate and apart from all contents in the Court file, in a sealed envelope attached to a notice that sets out the title of these proceedings and a statement that the contents are subject to a sealing order.

GENERAL

51. The Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of their powers and duties hereunder.

52. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, both the CRO and the Monitor will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence.

53. Nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicants, the Business or the Property.

54. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

55. Each of the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and that the Monitor is authorized and empowered to act as a representative in respect of the within proceeding for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

56. Any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

57. This Order and all of its provisions are effective as of 12:01 a.m. Mountain Standard Time on the date of this Order.

Justice of the Court of Queen's Bench of Alberta

Schedule "A"

1995708 Alberta Ltd.

Campcorp USA Inc.

Canada North Group LP Holdings Ltd.

Heart Lake Canada North Group GP Ltd.

Pease River Lodge Limited Partnership

Bonnyville Lodge GP Ltd.

Bonnyville Lodge Limited Partnership

Canada North Group Inc.

HML Lodge GP Ltd.

HML Lodge Limited Partnership

Heart Lake CNC Limited Partnership

Kilometer 147 GP Ltd.

Kilometer 147 Limited Partnership

Peace River Lodge GP Ltd.

1919209 Alberta Ltd.

Carma Software Systems Inc.

McCracken Group Inc.

0790528 B.C. Ltd.

Spallumcheen Estates Ltd.

Morningstar Golf Club Ltd.

Bigstone Tansi GP Inc.

Bigstone Tansi LP

Paul McCracken

Shayne McCracken

TAB 2

COURT FILE NO. 1703 12327

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON

JUDICIAL CENTRE OF EDMONTON FILED APR 3 0 2018 Clerk of the Court

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., 1371047 ALBERTA LTD. and 1919209 ALBERTA LTD.

DOCUMENT **AMENDED ORDER APPROVING WINTERBURN SALE, ASSIGNING LITIGATION, EXPANDING POWERS OF MONITOR, REMOVING CERTAIN PARTIES AS APPLICANTS, AUTHORIZING NAME CHANGES OF CERTAIN APPLICANTS AND EXTENDING THE STAY OF PROCEEDINGS**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

MILLER THOMSON LLP
Barristers and Solicitors
2700, Commerce Place
10155-102 Street
Edmonton, AB, Canada T5J 4G8
Phone: 780.429.1751 Fax: 780.424.5866

Lawyer: Stephanie A. Wanke
Email: swanke@millerthomson.com
File No.: 230560.1

I hereby certify this to be a true copy of the original.

for Clerk of the Court

DATE ON WHICH ORDER WAS PRONOUNCED: **April 30th, 2018**

LOCATION OF HEARING: **Edmonton, AB**

NAME OF JUDGE WHO MADE THIS ORDER: **The Honourable Justice K.G. Nielsen**

UPON THE APPLICATION of Canada North Camps Inc. ("**CNC**"), D.J. Catering Ltd. ("**DJ**"), Campcorp Structures Ltd. ("**Campcorp**"), Canada North Group Inc. ("**CNGI**"), 816956 Alberta Ltd. ("**816**"), 1371047 Alberta Ltd. ("**137**") and 1919209 Alberta Ltd. ("**191**") (collectively, the "**Applicants**"), **AND UPON** having read the Initial Order granted in these proceedings on July 5, 2017 (the "**Initial Order**"), the Eleventh Report of the Monitor, Ernst & Young Inc., (the "**Monitor**"), filed March 12, 2018; the Confidential Supplement to the Eleventh Report of the Monitor dated March 12, 2018, unfiled (the "**Confidential Supplement to the Eleventh Report**"); the unfiled Replacement Schedule C to the Confidential Supplement to the 11th Report ("**Confidential Replacement Schedule**"); the Twelfth Report of the Monitor, filed April 10, 2018; the Confidential Supplement to the Twelfth Report of the Monitor dated April 9, 2018, unfiled (the "**Confidential Supplement to the Twelfth Report**"); the Thirteenth Report of the Monitor, filed April 11, 2018, and the Confidential Supplement to the Thirteenth Report of the Monitor (the "**Confidential Supplement to the Thirteenth Report**"), dated April 11, 2018, unfiled; the Fourteenth

Report of the Monitor dated and filed April 13, 2018; and the Affidavit of Service of Gillian Cameron to be filed;

AND UPON NOTING that the shares of Campcorp and DJ and the rights to the names "Canada North Camps" and "Canada North Group" are being sold as part of the Camp Transaction, as defined in the Order granted in these proceedings on March 20, 2018 (the "**Camp Transaction Order**"); AND UPON BEING ADVISED that, the current directors of CNC, CNGI, 816, 137, and 191 (collectively, the "**Remaining Applicants**") wish to resign effective the closing of the Camp Transaction;

AND UPON hearing from counsel for the Applicants, counsel for Canadian Western Bank, counsel for the Monitor and such other counsel as were present, IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. The time for service of the notice of application for this Order and its supporting materials is hereby abridged to time actually given and service thereof is deemed good and sufficient and this application is property returnable as of the date of this Order.

EXTENSION OF STAY

2. The Stay Period as referred to and defined in paragraph 13 of the Initial Order is hereby extended to and including July 31, 2018

SALE OF WINTERBURN PROPERTY

3. 137 is hereby authorized to sell the property 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**")

   pursuant to the terms of the Offer to Purchase and Interim Agreement made between 137 and 2007062 Alberta Ltd. (or its nominee) (the "**Purchaser**") dated February 17, 2018 and appended as Schedule "D" to the Confidential Supplement to the Eleventh Report and amended by the Purchaser Condition Removal and Second Amending Agreement dated March 23, 2018 (collectively, the "**Purchase Agreement**") and appended to Schedule "A" of the Confidential Supplement to the Twelfth Report (collectively, the "**Winterburn Transaction**").

4. 137 is hereby authorized and approved to, without further Order of this Court:

   (a) take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Winterburn Transaction or for the conveyance of the Winterburn Property to the Purchaser; and

   (b) agree with the Winterburn Purchaser to such minor amendments to the Purchase Agreement as may be required to facilitate closing, subject to the approval of the Monitor.

5. Upon the delivery of a Monitor's certificate to the Winterburn Purchaser (or its nominee) substantially in the form set out in Schedule "A" hereto (the "**Monitor's Certificate**"), all of 137's right, title and interest in and to the Winterburn Property shall vest absolutely in the name of the Purchaser free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, caveats, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured,

unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing:

(a) any encumbrances or charges created by the Initial Order;

(b) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system; and

(c) those Claims listed on Schedule "B" hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, caveats, easements and restrictive covenants listed on Schedule "C") (the "**Permitted Encumbrances**"); and,

for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Winterburn Property are hereby expunged and discharged as against the Winterburn Property.

6. Upon the delivery of the Monitor's Certificate, and upon the filing of a certified copy of this Order, together with any applicable registration fees, the Registrar of Land Titles of Alberta (the "**Registrar**") is hereby authorized, requested, and directed to cancel the existing Certificate of Title No. 132 082 619 for the Winterburn Property and to issue a new Certificate of Title for the Winterburn Property in the name of the Purchaser (or its nominee), and to register such transfers, discharges, discharge statements of conveyances, as may be required to convey clear title to the Winterburn Lands to the Purchaser (or its nominee), which Certificate of Title shall be subject only to the Permitted Encumbrances.

7. This Order shall be registered by the Registrar notwithstanding the requirements of section 191(1) of the *Land Titles Act*, RSA 2000, c.L-7 and notwithstanding that the appeal period in respect of this Order has not elapsed, which appeal period is expressly waived.

8. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Winterburn Property (to be held by the Monitor) shall stand in the place and stead of the Winterburn Property, and from and after the delivery of the Monitor's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Winterburn Property with the same priority as they had with respect to the Winterburn Property immediately prior to the sale, as if the Winterburn Property had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

9. The Winterburn Purchaser shall, by virtue of the completion of the Winterburn Transaction, have no liability of any kind whatsoever in respect of any Claims against 137 or the Winterburn Property.

10. Immediately after the closing of the Winterburn Transaction, the holders of the Permitted Encumbrances shall have no claim whatsoever against the Monitor or 137.

11. The Monitor is to file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof to the Purchaser (or its nominee).

12. Notwithstanding:

(a) The pendency of these proceedings;

(b) Any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of 137 and any bankruptcy order issued pursuant to any such applications; and

(c) Any assignment in bankruptcy made in respect of 137.

the vesting of the Winterburn Property the Winterburn Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of 137 and shall not be void or voidable by creditors of 137, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

13. 137, the Monitor, the Purchaser and any other interested party, shall be at liberty to apply for further advice, assistance and directions as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Winterburn Transaction.

ORDERS ANCILLARY TO CLOSING THE RESTRUCTURING TRANSACTION

14. Pursuant to the Plan of Arrangement (the "**Plan**") attached to and approved by the Camp Transaction Order, on filing of the Pre-Closing Transaction Monitor's Certificate (as defined in the Camp Transaction Order):

    (a) The DJ Transferred Assets (as defined in the Plan) and the DJ Claims (as defined in the Plan) shall transfer to and be assumed by CNGI and the DJ Claims will attach to the DJ Transferred Assets with the same priority as they had with respect to the DJ Transferred Assets immediately prior to the transfer, as if the DJ Transferred Assets had not transferred and remained in the possession or control of DJ. DJ shall thereafter be free and clear of all DJ Claims whatsoever, except the Permitted DJ Claims (as defined in the Plan). For the purposes of the *Income Tax Act* and the *Excise Tax Act*, the fair market value of the DJ Transferred Assets is deemed to be nil. For the purposes of the *Income Tax Act* and the *Excise Tax Act*, the discounted value of the DJ Claims and is deemed to be nil; and

    (b) The CSL Transferred Assets (as defined in the Plan) and the CSL Claims (as defined in the Plan) shall transfer to and be assumed by CNGI and the CSL Claims will attach to the CSL Transferred Assets with the same priority as they had with respect to the CSL Transferred Assets immediately prior to the transfer, as if the CSL Transferred Assets had not transferred and remained in the possession or control of CSL. CSL shall thereafter be free and clear of all CSL Claims whatsoever, except the Permitted CSL Claims (as defined in the Plan). For the purposes of the *Income Tax Act* and the *Excise Tax Act*, the fair market value of the CSL Transferred Assets is deemed to be nil. For the purposes of the *Income Tax Act* and the *Excise Tax Act*, the discounted value of the CSL Claims and is deemed to be nil.

15. Upon the filing of the Camp Monitor's Certificate, as defined in the Camp Transaction Order, and effective only from the date of such filing:

    (a) Campcorp and DJ shall be removed as Applicants from these proceedings and shall no longer be subject to the Initial Order or any subsequent Orders in these proceedings;

    (b) CNG shall change its name to 667402 Alberta Ltd. and CNC shall change its name to 18512398 Alberta Ltd.;

    (c) The Style of Cause in these proceedings shall be amended:

        (i) to amend the names of each of CNG and CNC to their respective numbers as set out in paragraph 15(b) above; and

        (ii) to delete Campcorp and DJ; and

(d) The resignations of each of Paul McCracken and Shayne McCracken as directors of each of the Remaining Applicants shall be deemed to be accepted by each of the Remaining Applicants and the Alberta Registrar of Corporations is directed to reflect their resignation in the corporate records for each of ~~Campcorp and DJ~~ the Remaining Applicants.

EXPANSION OF MONITOR'S POWERS

16. Upon the filing of the Camp Monitor's Certificate, as defined in the Camp Transaction Order, and effective only from the date of such filing, the Monitor's powers are expanded as set out in this Order.

17. Nothing in this Order shall derogate from the powers of the Monitor as provided for in the Initial Order or subsequent Orders in this Action.

18. In addition to the powers and duties of the Monitor set out in the Initial Order, and without altering in any way the limitations and obligations of the Remaining Applicants because of these proceedings, or prior orders of the Court in these proceedings, the Monitor be and is hereby authorized and empowered to do any of the following with respect to the Remaining Applicants where the Monitor considers it necessary or desirable:

(a) preserve, protect and maintain control of the Remaining Applicants' remaining real property, personal property, books, records, and documents (paper and electronic) (collectively "Property"), and any and all proceeds, receipts and disbursements arising out of or from the Property or any parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

(b) manage, operate and carry on the business of the Remaining Applicants, including, without limitation, completing the sale of the Winterburn Property;

(c) take all steps and actions the Monitor, on behalf of the Remaining Applicants, considers necessary or desirable in these proceedings including, without limitation:

(i) entering into any agreements;

(ii) incurring obligations in the ordinary course of business;

(iii) retaining or terminating employees;

(iv) ceasing to carry on all or any part of the business;

(v) marketing any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Monitor, in its discretion, may deem appropriate;

(vi) subject to the terms of the Initial Order, selling, conveying, transferring, leasing or assigning the Property or any part or parts thereof out of the ordinary course of business of the Remaining Applicants;

(vii) applying for any Vesting Order or other Orders necessary to convey the Property or any part of parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property.

(viii) engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the powers and duties conferred by this Order;

(ix) oversee and direct the preparation of cash flow statements and to assist in the dissemination of financial and other information in these proceedings;

(x) receive, collect and take possession of all monies and accounts now owed or hereafter owing to any one or more of the Remaining Applicants, including proceeds payable pursuant to sales of Property;

(xi) execute, assign, issue and endorse documents of whatever nature in respect of any of the Property or business of the Remaining Applicants, whether in the Monitor's name or in the name and on behalf any one or more of the Remaining Applicants;

(xii) initiate, prosecute and continue the prosecution of any and all proceedings on behalf of one or more of the Remaining Applicants and to settle or compromise any such proceedings or claims. For greater certainty, such authority shall include the ability to represent the Remaining Applicants in any negotiations or mediation with respect to such claims of the Remaining Applicants. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceedings;

(xiii) exercise any rights which the Remaining Applicants may have;

(xiv) provide instruction and direction to the advisors of the Remaining Applicants;

(xv) make any distribution or payments required under any Order in these proceedings; and

(xvi) exercise any other incidental rights or powers which the Remaining Applicants may have, including rights or powers available to the Remaining Applicants under the terms of the Initial Order and the Companies' Creditors Arrangement Act as applicable, as deemed reasonable and appropriate by the Monitor.

19. No provision in this Order is intended to appoint the Monitor as an officer, director or employee of any of the Remaining Applicants. Additionally, nothing in this Order shall constitute or be deemed to constitute the Monitor as a receiver, assignee, liquidator, or receiver and manager of any of the Remaining Applicants or a successor employer and that any distributions made to creditors of the Remaining Applicants and any actions taken by the Monitor in furtherance to the directions given in this Order or previous Orders will be deemed to have been made by the Remaining Applicants, as applicable.

20. The Remaining Applicants, and their current and former shareholders, officers, directors, agents and representatives shall fully co-operate with the Monitor in the exercise of its powers and discharge of its duties and obligations under this Order or any other Order of the Court.

21. The Monitor shall continue to have the benefit of all of the protections and priorities as set out in the Initial Order and any such protections and priorities shall apply to the Monitor in fulfilling its duties under this Order or in carrying out the provisions of this Order.

ASSIGNMENT OF GRAND RAPIDS ACCOUNTS RECEIVABLE AND RELATED CLAIMS

22. Effective as of the filing of the Camp Monitor's Certificate, any and all right, title and interest:

(a) of CNC and Heart Lake Canada North Group GP ("**Heart Lake**") to accounts receivable pursuant to or arising from the Services Agreement No. 4600005905 made between Grand Rapids Pipeline Limited Partnership ("**Grand Rapids**") and Heart Lake effective November 4, 2014;

(b) of CNC, 137 and Wandering River Properties Ltd. ("**Wandering River**") to accounts receivable pursuant to or arising from the Lease Agreement made among 137, Wandering River and Grand Rapids effective October 1, 2014;

(c) of Heart Lake, 137 and Wandering River in and to the proceedings of the Court of Queen's Bench of Alberta Action No. 1701 – 16910 (the "**Grand Rapids Action**") in addition to all claims of whatsoever nature or kind which 137 now has or may have hereafter in relation to the Grand Rapids Action, including, but not limited to, any and all rights to collect and receive any amounts awarded pursuant to a judgment or any benefits that may arise from a settlement of the Grand Rapids Action

are assigned and transferred over to DJ.

23. Upon filing of this Camp Monitor's Certificate:

(a) the Clerk of the Court of Queen's bench is hereby authorized and directed to amend the style of cause of the Grand Rapids Action to substitute DJ as Plaintiff for Heart Lake, Wandering River and 137; and

(b) DJ is hereby permitted and authorized to take up and continue proceedings in the Grand Rapids Action in its own name and at its own expense.

TRANSFER OF CNRL ACCOUNTS RECEIVABLE AND RELATED CLAIMS

24. The parties to the Camp Transaction are authorized to amend the Camp Transaction so that Campcorp's right, title, and interest in and to its accounts receivable with Canadian Natural Resources Limited ("**CNRL**") arising from services and materials provided to or in connection with building of CNRL's North Kirby Camp and Wooden House Camp stay with Campcorp and are not removed from Campcorp prior to the shares of Campcorp being sold as part of the Camp Transaction.

FOREIGN ASSISTANCE

25. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order.

NO PROCEEDINGS AGAINST THE MONITOR

26. No proceeding or enforcement process in any court or tribunal, shall be commenced or continued against the Monitor except with the written consent of the Monitor or with leave of this Court.

SEALING THE CONFIDENTIAL REPLACEMENT SCHEDULE, CONFIDENTIAL SUPPLEMENTS TO THE ELEVENTH, TWELFTH AND THIRTEENTH REPORT

27. The Confidential Replacement Schedule, the Confidential Supplements to the, Eleventh, Twelfth and Thirteenth Report shall be sealed on the Court file until further order of this Court, notwithstanding Division 4 of Part 6 of the Alberta Rules of Court.

28. The Clerk of this Honourable Court shall file the Confidential Replacement Schedule, the Confidential Supplements to the Eleventh, Twelfth and Thirteenth Report in sealed envelopes that set out the style of cause of these proceedings and states that:

THIS ENVELOPE CONTAINS CONFIDENTIAL MATERIALS FILED BY ERNST & YOUNG INC., in its capacity as Court-Appointed Monitor of CANADA NORTH GROUP INC., et al. THE CONFIDENTIAL MATERIALS ARE SEALED PURSUANT TO AN ORDER ISSUED BY JUSTICE K. D. Nielsen ON April 20, 2018 UNTIL FURTHER ORDER OF THIS COURT.

APPROVAL OF REPORTS AND ACTIVITIES

29. The Tenth to and including the Fourteenth Reports of the Monitor, and any Confidential Supplements and Schedules prepared in connection therewith, and the activities of the Monitor outlined therein, are hereby approved provided, however, that only the Monitor in its personal capacity and only with respect to its own personal liability shall be entitled to rely upon or utilize in any such approval.

J.C.Q.B.A.

SCHEDULE A

Form of Monitor's Certificate

COURT FILE NUMBER	1703 12327
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., 1371047 ALBERTA LTD. and 1919209 ALBERTA LTD.
DOCUMENT	**Monitor's Certificate**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	DUNCAN CRAIG LLP Suite 2800, 10060 Jasper Avenue Edmonton, Alberta T5J 3V9 Attn: Darren R. Bieganek, QC Phone: 780.441.4386 Fax: 780.428.9683 Email: dbieganek@dcllp.om

RECITALS

A. Pursuant to an Order of the Honourable Justice K.G. Nielsen of the Court of Queen's Bench of Alberta, Judicial District of Edmonton (the "Court") dated July 5, 2017, Ernst & Young Inc. was appointed as the Monitor of CANADA NORTH GROUP INC., CANADA NORTH CAMPS INC., CAMPCORP STRUCTURES LTD., D.J. CATERING LTD., 816956 ALBERTA LTD., 1371047 ALBERTA LTD. and 1919209 ALBERTA LTD. (collectively, the "**Debtor**").

B. Pursuant to an Order of the Court dated April 20, 2018, the Court approved the sale transaction (the "**Winterburn Transaction**") contemplated by an agreement of purchase and sale (the "**Winterburn Sale Agreement**") made between 137 and 2007062 Alberta Ltd. or nominee (the "**Winterburn Purchaser**") dated February 17, 2018 and appended as Schedule "D" to the Confidential Supplement to the 11th Report of Ernst & Young Inc. in its capacity as Monitor of the Applicant (the "**Monitor**") dated March 12, 2018 and subsequently amended by the Purchaser Condition Removal and Second Amending Agreement dated March 23, 2018 and appended to Schedule "**A**" of the Confidential Supplement to the Twelfth Report of the Receiver dated April 9, 2018, which provided for the vesting in the Winterburn Purchaser (or its nominee) of 137's right, title and interest in and to the land and improvements (the "**Winterburn Property**") described in the Winterburn Sale Agreement which vesting is to be effective with respect to the Winterburn Property upon the delivery by the Monitor to the Winterburn Purchaser of a certificate confirming (i) the payment by the Winterburn Purchaser of the Purchase Price for the Winterburn Property; (ii) that the conditions to Closing as set out in sections 5 and 6 of the Winterburn Sale Agreement have been satisfied or waived by 137, the Monitor and the Winterburn Purchaser; and (iii) the Winterburn Transaction has been completed to the satisfaction of the Monitor.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Winterburn Sale Agreement.

THE MONITOR CERTIFIES the following:

1. The Winterburn Purchaser (or its nominee) has paid and 137 has received the Purchase Price for the Winterburn Property payable on the Closing Date pursuant to the Winterburn Sale Agreement;
2. The conditions to Closing as set out in sections 5 and 6 of the Winterburn Sale Agreement have been satisfied or waived by 137, the Monitor and the Winterburn Purchaser (or its nominee); and
3. The Transaction has been completed to the satisfaction of the Monitor.
4. This Certificate was delivered by the Monitor at **[Time]** on **[Date]**.

Ernst & Young Inc., in its capacity as Monitor of the Debtor and not in its personal capacity.

Per:________________________

Name:

Title:

SCHEDULE B

Winterburn Encumbrances

1. Registration 102 253 454: Caveat re: Lease Interest in favour of Experienced Equipment Sales & Rental registered on July 21, 2010.

2. Registration 112 394 192: Mortgage in favour of 506221 Alberta Ltd. registered on December 7, 2011.

3. Registration 162 322 778: Mortgage in favour of Northland Mortgage & Investment Corporation registered on November 16, 2016.

4. Registration 162 322 779: Caveat re: Assignment of Rents and Leases in favour of Northland Mortgage & Investment Corporation registered on November 16, 2016.

5. Registration 172 101 430: Mortgage in favour of Canadian Western Bank registered on April 27, 2017.

SCHEDULE C

Winterburn Permitted Encumbrances

1. Registration 022 349 944: Caveat re Lease in favour of TM Mobile Inc. registered on September 17, 2002.

TAB A

FORM 49
[RULE 13.19]

CLERK'S STAMP

COURT FILE NUMBER	1703-12327
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	EDMONTON
PLAINTIFF(S)	IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. C-36, AS AMENDED
DEFENDANT(S)	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**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**BENNETT JONES LLP** Barristers and Solicitors 4500 Bankers Hall East Calgary, Alberta T2P 4K7 Attention: Ken Lenz Telephone No.: 403-298-3317 Fax No.: 403-265-7219 Client File No.: 86890.1

AFFIDAVIT OF MARK EIKELAND

Sworn on August 16, 2019.

I, Mark Eikeland, of Campbell River, British Columbia, SWEAR AND SAY THAT:

1. I am the director of Northland Mortgage & Investment Corporation ("**Northland**"), and as such have personal knowledge of the matters hereinafter deposed to except where otherwise stated to be on information and belief.

2. Attached hereto and marked as **Exhibit "1"** is an email chain between me and the Monitor with respect to written communications regarding Northland asking the Monitor

to challenge property tax assessments with respect to the Bonnyville Lands and the Opportunity Lands.

3. Attached hereto and marked as **Exhibit "2"** is an email exchange between my counsel and counsel to the Monitor inquiring whether taxes would be paid.

SWORN BEFORE ME at BC
Campbell River, ~~Alberta~~,
this 16th day of August, 2019.

A Commissioner for Oaths
in and for the Province of British Columbia

MARK EIKELAND

ELIZABETH C. HUNT
906 Island Highway
Campbell River, BC V9W 2C3
PH: 250-287-8355 FAX: 250-287-8112
Barrister & Solicitor

EXHIBIT 1

This is EXHIBIT "1" referred to in the Affidavit of Mark Eikeland sworn before me this 16 day of August, 2019.

A Commissioner for Oaths in and for the Province of British Columbia

ELIZABETH C. HUNT
906 Island Highway
Campbell River, BC V9W 2C3
PH: 250-287-8355 FAX: 250-287-8112
Barrister & Solicitor

From: Mark Eikeland <mark@northlandmortgage.ca>
Sent: Monday, August 12, 2019 4:43 PM
To: Ken Lenz <LenzK@bennettjones.com>
Subject: FW: CNC CCAA Bonnyville

From: Mark Eikeland [mailto:mark@netfinance.ca]
Sent: May 28, 2018 3:32 PM
To: 'Mark Eikeland'
Subject: RE: CNC CCAA Bonnyville

Matt

Can you respond to my comments below:

Re: CNC

1. Winterburn
   It's been near a month since the sale closed. Can you tell me when we might be able to expect a disbursement of the sale proceeds?

2. Paul and Shayne Bankruptcy
   The proposal was put forward and voted on in mid April. During the course of the bankruptcy we confirmed with our lawyers and the lawyer for Paul and Shayne that we were a secured creditor against Shane with 1st charge ranking. The lawyer initially excluded our security position, incorrectly, thinking we would be paid out on the Winterburn sale. As a result, we asked the lawyer to amend the proposal which was agreed to and done at our request. As a secured creditor against Shane we were to be paid $57,000 on the proposal. What is happening with this proposal?

3. Bonnyville
   I have advised you previously of the outrageous taxes that are accruing these properties that we hold as security for our first mortgage. We have received a tax sale notice and have received a current year assessment for $8

million on Lot 1 only! This is outrageous and despite previous attempts to bring this to your attention continues to be in the same position as described below. What are you doing as the monitor/receiver to mitigate this significant tax liability? When are you going to file an appeal to the current year and past 2 years assessments that reflect a more reasonable valuation based on its current use? When and what are you doing with regards to the 3rd party that owns the equipment and who should liable for some/or all the property tax arrears since the $8 million assessments reflects equipment value! I also would remind you, that the realtor for the properties has set an unrealistic sales price that would likely not generate any to none interest and we are entering into the best time to market these properties for sale. In any of your allocations you reflect no value coming back to you on sale, so why are sales prices not more reflective of a more reasonable court ordered sale price? Why has this sales price not been addressed? Also, for your information I have called the realtor on many occasions to test his responsiveness for a sales call on Bonnyville...to date, I have received no return calls on any of the 3 messages I left him. Are you getting progress reports on this listing?

Since you are the only one that answer these issues, I would appreciate a response and or phone call at your soonest. Thanks.

Best Regards,

Mark Eikeland, CPA, CGA
Director

Northland Mortgage and Investment Corp.
e-Capital Networks Group Inc.
Phone: 1-250-923-0719
Toll Free: 1-888-282-1699
Fax: 1-250-483-1909
Web Site: http://www.netfinance.ca
Email: mark@netfinance.ca

NORTHLAND
MORTGAGE & INVESTMENT CORP.

From: Mark Eikeland [mailto:mark@netfinance.ca]
Sent: March 22, 2018 10:58 AM
To: 'Matt McCulloch'
Subject: RE: CNC CCAA Bonnyville

Matt

As you know, we hold a mortgage on the Bonnyville properties of $1.5 million. The appraisals show a value of $2.3 million...likely much lower. Though there appears to be equity in the property, there are ppty tax arrears prior to CCAA of $250,000 and current year likely totalling over $400k in arrears. The high property taxes are based on the site being operated as a hotel with trailers, but the site has not operated that way for 2 years now. In the meantime, the trailers and equipment on the site are not owned by CNC but a third party who is a joint venture partner and using the site as storage.

My concerns are:

1. Current year taxes have not been paid out of the DIP financing and quickly eroding any equity.
2. The equipment should be moved off the property immediately and restore back to raw land...to mitigate the high property tax liability from accruing and put the property in a saleable condition. No interested party would be willing to consider a purchased with property taxes so artificially high.
3. CNC/monitor needs to file a property tax appeal to reduce the tax assessments with the city for the last 2 years as basically a site used for equipment storage on raw land.

At this point, the high property tax liability will eventually become yours/our problem. Can you look at the process of contacting the equipment owner and moving the equipment off the land. Thanks.

Best Regards,

Mark Eikeland, CPA, CGA
Director

Northland Mortgage and Investment Corp.
e-Capital Networks Group Inc.
Phone: 1-250-923-0719
Toll Free: 1-888-282-1699
Fax: 1-778-300-0098
Web Site: http://www.netfinance.ca
Email: mark@netfinance.ca

NORTHLAND
MORTGAGE & INVESTMENT CORP.

From: Matt McCulloch [mailto:Matt.McCulloch@ca.ey.com]
Sent: January 30, 2018 10:31 AM
To: Mark Eikeland
Cc: Trina Sorbara
Subject: RE: CNC CCAA extension

Hi Mark – an extension was granted to March 2/18. By copy of this email to my colleague Trina, I will ask her to send you the link to the website – no password is required.

Yours truly,

Matt McCulloch, CPA, CA, CIRP, Licensed InsolvencyTrustee
Partner & Senior Vice President*| Corporate Restructuring & Insolvency
Ernst & Young Inc.
EPCOR Tower, 10423 – 101 Street, Suite 1400, PO Box 44, Edmonton AB T5H 0E7
Direct: 780 638 6642 | Fax: 780 428 8977 | matt.mcculloch@ca.ey.com
Website: http://www.ey.com
Assistant: Sue Mendoza | Phone: 780 638 6659 | sue.mendoza@ca.ey.com
Paraprofessional: Trina Sorbara | Phone 780 412 2393 | trina.m.sorbara@ca.ey.com
* Services provided through Matthew McCulloch Professional Corporation

From: Mark Eikeland [mailto:mark@netfinance.ca]
Sent: Tuesday, January 30, 2018 10:35 AM
To: Matt McCulloch <Matt.McCulloch@ca.ey.com>
Subject: RE: CNC CCAA extension

Matt

Can you send me the link to the website for CNC info/docs along with any password info. Did they get an extension? Thanks.

Best Regards,

Mark Eikeland, CPA, CGA
Director

Northland Mortgage and Investment Corp.
e-Capital Networks Group Inc.
Phone: 1-250-923-0719
Toll Free: 1-888-282-1699
Fax: 1-778-300-0098
Web Site: http://www.netfinance.ca
Email: mark@netfinance.ca

NORTHLAND
MORTGAGE & INVESTMENT CORP.

The information transmitted via this e-mail is intended only for the person or entity to which it is addressed and may contain confidential and/or privileged material. Any review, retransmission, dissemination or other use of, or taking of any action in reliance upon this information by persons or entities other than the intended recipient is prohibited. If you received this in error, please contact the sender at (250) 923-0719 and delete the material from any computer.

From: Matt McCulloch [mailto:Matt.McCulloch@ca.ey.com]
Sent: January 17, 2018 1:30 PM
To: Mark Eikeland
Subject: RE: CNC CCAA extension

Hi Mark,

I discussed the property taxes with the CNC group the other day as it pertains to the Bonnyville property and the answer is that the taxes billed by the Town prior to the commencement of the CCAA proceedings have not been paid. This includes amounts billed by the town in May of 2017. I believe the total outstanding is just shy of $300,000 from the information I received from CNC recently.

They will be required to pay the taxes assessed in 2018 as part of continued operations provided the CCAA process continues. Sorry for the delay in my response, there are a lot of moving parts on this file, and the folks and CNC have been busy with a number of information requests/demands.

Yours truly,

EY

Matt McCulloch, CPA, CA, CIRP, Licensed InsolvencyTrustee
Partner & Senior Vice President*| Corporate Restructuring & Insolvency
Ernst & Young Inc.
EPCOR Tower, 10423 – 101 Street, Suite 1400, PO Box 44, Edmonton AB T5H 0E7
Direct: 780 638 6642 | Fax: 780 428 8977 | matt.mcculloch@ca.ey.com
Website: http://www.ey.com
Assistant: Sue Mendoza | Phone: 780 638 6659 | sue.mendoza@ca.ey.com
Paraprofessional: Trina Sorbara | Phone 780 412 2393 | trina.m.sorbara@ca.ey.com
* Services provided through Matthew McCulloch Professional Corporation

---

From: Mark Eikeland [mailto:mark@netfinance.ca]
Sent: Monday, January 8, 2018 11:03 AM
To: Matt McCulloch <Matt.McCulloch@ca.ey.com>
Subject: RE: CNC CCAA extension

Hi Matt

We're you able to confirm #1 below that current year property taxes are being paid as part of the approved operating expenses. Thanks. Mark

From: Matt McCulloch [mailto:Matt.McCulloch@ca.ey.com]
Sent: December 2, 2017 9:27 AM
To: Mark Eikeland
Subject: RE: CNC CCAA extension

Hi Mark, please see below for my responses in RED font.

Yours truly,

EY

Matt McCulloch, CPA, CA, CIRP, Licensed InsolvencyTrustee
Partner & Senior Vice President*| Corporate Restructuring & Insolvency
Ernst & Young Inc.
EPCOR Tower, 10423 – 101 Street, Suite 1400, PO Box 44, Edmonton AB T5H 0E7
Direct: 780 638 6642 | Fax: 780 428 8977 | matt.mcculloch@ca.ey.com
Website: http://www.ey.com
Assistant: Sue Mendoza | Phone: 780 638 6659 | sue.mendoza@ca.ey.com
Paraprofessional: Trina Sorbara | Phone 780 412 2393 | trina.m.sorbara@ca.ey.com
* Services provided through Matthew McCulloch Professional Corporation

From: Mark Eikeland [mailto:mark@netfinance.ca]
Sent: Friday, December 1, 2017 3:04 PM
To: Matt McCulloch <Matt.McCulloch@ca.ey.com>
Subject: RE: CNC CCAA extension

Hi Matt

We hold 2 mortgages 1) $1.5 Million secured by Bonnyville 2) $750 secured by St Albert, Edmonton Winterburn and Wabasca

Could you confirm:

1. that current property taxes on the Bonnyville property are being paid as part of the approved operating costs for CNC. I believe so – I have requested confirmation from the Company and will advise as soon as I hear back.
2. That we will not require an affidavit as proof of our outstanding balance but a payout statement from us. As I mentioned on the phone, there will be a claims process and instructions provided – we are proceeding to Court in this regard this week, and if approved, the details of what you need to submit will be sent to you.
3. That the Edmonton Winterburn property has received an offer that is being negotiated. Confirmed – not sure if the offer will ultimately be successfully negotiated, but this is the latest info I have received.

I have to provide my board an update on the CNC issues next and this info would be helpful as part of the update. Much appreciated. Thanks Matt.

Best Regards,

Mark Eikeland, CPA, CGA
Director

Northland Mortgage and Investment Corp.
e-Capital Networks Group Inc.
Phone: 1-250-923-0719
Toll Free: 1-888-282-1699
Fax: 1-778-300-0098
Web Site: http://www.netfinance.ca
Email: mark@netfinance.ca

NORTHLAND
MORTGAGE & INVESTMENT CORP.

From: Matt McCulloch [mailto:Matt.McCulloch@ca.ey.com]
Sent: November 29, 2017 2:48 PM
To: Mark Eikeland
Subject: RE: CNC CCAA extension

Hi Mark – I just left you a message on your land line – I have a meeting to leave for in 15 minutes – if you want to chat now, please call my cell (780) 860-8698

Yours truly,

EY

Matt McCulloch, CPA, CA, CIRP, Licensed InsolvencyTrustee
Partner & Senior Vice President*| Corporate Restructuring & Insolvency
Ernst & Young Inc.
EPCOR Tower, 10423 – 101 Street, Suite 1400, PO Box 44, Edmonton AB T5H 0E7
Direct: 780 638 6642 | Fax: 780 428 8977 | matt.mcculloch@ca.ey.com
Website: http://www.ey.com
Assistant: Sue Mendoza | Phone: 780 638 6659 | sue.mendoza@ca.ey.com
Paraprofessional: Trina Sorbara | Phone 780 412 2393 | trina.m.sorbara@ca.ey.com
* Services provided through Matthew McCulloch Professional Corporation

From: Mark Eikeland [mailto:mark@netfinance.ca]
Sent: Wednesday, November 29, 2017 1:28 PM
To: Matt McCulloch <Matt.McCulloch@ca.ey.com>
Subject: RE: CNC CCAA extension

Matt

Could you call me when you have a moment. Appreciated. Thanks. Mark

Cell 250-287-0373

From: Matt McCulloch [mailto:Matt.McCulloch@ca.ey.com]
Sent: September 28, 2017 11:28 AM
To: Mark Eikeland
Subject: RE: CNC CCAA extension

Hi Again Mark,

I have confirmed with CNG that there is not a new "accepted" offer on the yard at this time, which is in line with what I previously indicated.

Yours truly,

Matt McCulloch, CPA, CA, CIRP, Licensed InsolvencyTrustee
Partner & Senior Vice President*| Corporate Restructuring & Insolvency
Ernst & Young Inc.
EPCOR Tower, 10423 – 101 Street, Suite 1400, PO Box 44, Edmonton AB T5H 0E7
Direct: 780 638 6642 | Fax: 780 428 8977 | matt.mcculloch@ca.ey.com
Website: http://www.ey.com
Assistant: Sue Mendoza | Phone: 780 638 6659 | sue.mendoza@ca.ey.com
Paraprofessional: Trina Sorbara | Phone 780 412 2393 | trina.m.sorbara@ca.ey.com
* Services provided through Matthew McCulloch Professional Corporation

---

From: Mark Eikeland [mailto:mark@netfinance.ca]
Sent: Thursday, September 28, 2017 10:25 AM
To: Matt McCulloch <Matt.McCulloch@ca.ey.com>
Subject: RE: CNC CCAA extension

Matt

We understand that there has been a new offer to purchase on the Winterburn property. Has this been accepted? Thanks. Mark

---

From: Matt McCulloch [mailto:Matt.McCulloch@ca.ey.com]
Sent: September 27, 2017 10:36 AM
To: Mark Eikeland
Subject: RE: CNC CCAA extension

Hi Mark,

Yes, an extension was granted up to January 31, 2018. I expect copies of the Orders granted should be posted to our website in the next day or so.

Yours truly,

Matt McCulloch, CPA, CA, CIRP, Licensed InsolvencyTrustee
Partner & Senior Vice President*| Corporate Restructuring & Insolvency
Ernst & Young Inc.
EPCOR Tower, 10423 – 101 Street, Suite 1400, PO Box 44, Edmonton AB T5H 0E7
Direct: 780 638 6642 | Fax: 780 428 8977 | matt.mcculloch@ca.ey.com
Website: http://www.ey.com
Assistant: Sue Mendoza | Phone: 780 638 6659 | sue.mendoza@ca.ey.com
Paraprofessional: Trina Sorbara | Phone 780 412 2393 | trina.m.sorbara@ca.ey.com
* Services provided through Matthew McCulloch Professional Corporation

From: Mark Eikeland [mailto:mark@netfinance.ca]
Sent: Wednesday, September 27, 2017 11:30 AM
To: Matt McCulloch <Matt.McCulloch@ca.ey.com>
Subject: RE: CNC CCAA extension

Matt

Was an extension granted to CNC yesterday? Thanks.

Best Regards,

Mark Eikeland, CPA, CGA
Director

Northland Mortgage and Investment Corp.
e-Capital Networks Group Inc.
Phone: 1-250-923-0719
Toll Free: 1-888-282-1699
Fax: 1-778-300-0098
Web Site: http://www.netfinance.ca
Email: mark@netfinance.ca

NORTHLAND
MORTGAGE & INVESTMENT CORP.

From: Matt McCulloch [mailto:Matt.McCulloch@ca.ey.com]
Sent: July 13, 2017 1:11 PM
To: mark@netfinance.ca
Subject: Hi Mark - just responding to your voicemail message.....

Did you still have questions? I know you have since spoken with Trina of my office – but let me know...

Yours truly,

Matt McCulloch, CPA, CA, CIRP, Licensed InsolvencyTrustee
Partner & Senior Vice President*| Corporate Restructuring & Insolvency
Ernst & Young Inc.
EPCOR Tower, 10423 - 101 Street, Suite 1400, PO Box 44, Edmonton AB T5H 0E7
Direct: 780 638 6642 | Fax: 780 428 8977 | matt.mcculloch@ca.ey.com
Website: http://www.ey.com
Assistant: Sue Mendoza | Phone: 780 638 6659 | sue.mendoza@ca.ey.com
Paraprofessional: Trina Sorbara | Phone 780 412 2393 | trina.m.sorbara@ca.ey.com
* Services provided through Matthew McCulloch Professional Corporation.

CONFIDENTIAL and/or PRIVILEGED. If received in error please notify the sender and permanently delete. CONFIDENTIEL et/ou PRIVILÉGIÉ. Si ce courriel est reçu par erreur, veuillez nous en aviser et en effacer toute trace. EY, 100 Adelaide Street West, PO Box 1 Toronto, ON M5H 0B3. www.ey.com/ca To unsubscribe from commercial electronic messages / Pour vous désabonner des messages électroniques commerciaux : Unsubscribe@ca.ey.com

CONFIDENTIAL and/or PRIVILEGED. If received in error please notify the sender and permanently delete. CONFIDENTIEL et/ou PRIVILÉGIÉ. Si ce courriel est reçu par erreur, veuillez nous en aviser et en effacer toute trace. EY, 100 Adelaide Street West, PO Box 1 Toronto, ON M5H 0B3. www.ey.com/ca To unsubscribe from commercial electronic messages / Pour vous désabonner des messages électroniques commerciaux : Unsubscribe@ca.ey.com

CONFIDENTIAL and/or PRIVILEGED. If received in error please notify the sender and permanently delete. CONFIDENTIEL et/ou PRIVILÉGIÉ. Si ce courriel est reçu par erreur, veuillez nous en aviser et en effacer toute trace. EY, 100 Adelaide Street West, PO Box 1 Toronto, ON M5H 0B3. www.ey.com/ca To unsubscribe from commercial electronic messages / Pour vous désabonner des messages électroniques commerciaux : Unsubscribe@ca.ey.com

CONFIDENTIAL and/or PRIVILEGED. If received in error please notify the sender and permanently delete. CONFIDENTIEL et/ou PRIVILÉGIÉ. Si ce courriel est reçu par erreur, veuillez nous en aviser et en effacer toute trace. EY, 100 Adelaide Street West, PO Box 1 Toronto, ON M5H 0B3. www.ey.com/ca To unsubscribe from commercial electronic messages / Pour vous désabonner des messages électroniques commerciaux : Unsubscribe@ca.ey.com

EXHIBIT 2

This is EXHIBIT "2" referred to in the
Affidavit of Mark Eikeland sworn before me
this 16 day of August, 2019.

A Commissioner for Oaths in and for the
Province of British Columbia

ELIZABETH C. HUNT
906 Island Highway
Campbell River, BC V9W 2C3
PH: 250-287-8355 FAX: 250-287-8112
Barrister & Solicitor

From: Ryan Quinlan <rquinlan@dcllp.com>
Sent: Tuesday, August 13, 2019 11:41 AM
To: Chuck Russell <crussell@mross.com>; Ken Lenz <LenzK@bennettjones.com>
Cc: Darren Bieganek <dbieganek@dcllp.com>; Ryan Trainer <rtrainer@mross.com>; Matt McCulloch <Matt.McCulloch@ca.ey.com>
Subject: RE: Canada North - Town of Bonnyville Tax Claim [BJ-WSLegal.FID4561388]

Hi Ken,

Further to Chuck's points below, which I will not repeat herein, let me provide some further context and explanation. The Monitor appreciates that the Initial Order did make certain directions to the Applicants, not the Monitor, in respect of property taxes. However, that direction did not necessarily pass to the Monitor upon its expanded powers. In the Amended Order Approving the Winterburn Sale et al, dated April 30, 2018 (the "Expanded Powers Order"), the Court did not say that the prior directions given to the Applicants would apply in respect of the Monitor's conduct. Rather, the Expanded Powers Order stated that "In addition to the powers and duties of the Monitor set out in the Initial Order [which did not include the power to make payments in respect of property taxes on behalf of the Applicants], and without altering in any way the limitations and obligations of the Remaining Applicants because of these proceedings, or prior orders of the Court in these proceedings, the Monitor be and is hereby authorized and empowered..." to carry out the powers set out in paragraph 18, which were frankly Receiver-like powers, without actually being appointed as Receiver.

It was at the date of the Expanded Powers Order, or more appropriate May 12, 2018 when the necessary Monitor's Certificate was filed, that these proceedings shifted to liquidating CCAA proceedings, and the whole context of the proceedings changed. Since that time, the various Orders of Approving Sale and Vesting Title in respect of the assets sold by the Monitor under its expanded powers all generally indicate that the sale proceeds will stand in place and stead of the assets in the same priorities as they had against the purchased assets. In other words, the sale proceeds belong to those of the creditors whose assets were sold, subject to various super priority charges to be determined. Additionally, there is a direction in each of these Approval and Vesting Orders that the sale proceeds are "to be held in an interest bearing trust account by the Monitor." The same provisions exist with respect to the holding of sale proceeds in the Order dated January 10, 2019, which granted the Monitor further expanded powers to sell assets without Court approval.

Since the Expanded Powers Order, with at minimum the implicit approval of the Court, which has been kept up to date in respect of the Monitor's actions and activities, the Monitor has only provided distributions of sale proceeds to secured creditors of the Applicants where expressly authorized to do by the Court Order. The DIP charge and the CRA were paid by express authorization. Two mortgagees, Staheli and First Island, received interim distributions once the properties that were subject to their respective first mortgages were sold (albeit with significant holdbacks). Indeed, the taxes on Simonette and Berland, notwithstanding the bulk asset sales camps, have still not been paid, as these applications in respect of the municipal tax issues were contemplated at the time of the sale (a point which you previously noted).

The above explains why the Monitor has dealt with the property taxes in the manner that it has to date.

In terms of going forward, we understand your position. We also understand that CWB has taken the opposite position, namely that the property taxes ought not be paid by the Monitor (or other parties), unless and until the lands are sold, and possibly even not until after the cost allocation occurs.

In light of that dispute, the Monitor believes that it is appropriate to obtain directions and instructions from the Court one way or the other, at least at some point in the near future. However, in the interim, I can confirm that the Monitor does not intend to pay out what will be the remaining property taxes, after these settlements are completed, from the funds generated from the sales of other creditors' assets without the approval of such directly affected creditors or the direction of the Court, for the reasons set out above.

Of course, the Monitor will follow any directions received by the Court.

Ryan

Ryan Quinlan
Associate
Duncan Craig LLP
2800 Scotia Place, 10060 Jasper Ave
Edmonton, Alberta, T5J 3V9

Tel: +1 780.441.4336
Toll-free: 1.800.782.9409
Fax: 780.428.9683
Email: rquinlan@dcllp.com
Web: dcllp.com

DUNCANCRAIG LLP
LAWYERS MEDIATORS
CELEBRATING 125 YEARS

From: Chuck Russell <crussell@mross.com>
Sent: August-13-19 7:00 AM
To: Ken Lenz <LenzK@bennettjones.com>
Cc: Darren Bieganek <dbieganek@dcllp.com>; Ryan Quinlan <rquinlan@dcllp.com>; Ryan Trainer <rtrainer@mross.com>
Subject: FW: Canada North - Town of Bonnyville Tax Claim [BJ-WSLegal.FID4561388]

Ken, just a couple of comments:

1. I don't believe that Hillier J would entertain an adjournment of this issue, even if there was something to be achieved by doing so. he heard 726 remote argue for more than a day for an adjournment of their $21m priority issue and had no sympathy for their position. I think you would receive the same response.
2. No tax sale would have occurred in 2018, there was a stay of proceedings.
3. The interim financing had been fully used up, there would have had to be an application to borrow more than the $3m or so then outstanding, and BDC had already said no more.

4. The monitor was then out of money, and professional fees which had first priority, were outstanding in the hundreds of thousands of dollars.
5. The only cash the monitor got was out of the sale of simonette and berland assets, and there was and remains no money to pay taxes on the northlands projects, other than from the disposition of collateral of other lenders sold but unrelated to the lands. At the time, no taxes were paid on any of the sold assets even though municipal improvement taxes were then outstanding.

Sorry if my putting this into our brief caught you by surprise, but I had assumed you would be asking for payment in your brief and we needed to respond.

chuck

From: Ken Lenz [mailto:LenzK@bennettjones.com]
Sent: Monday, August 12, 2019 4:49 PM
To: Darren Bieganek (dbieganek@dcllp.com) <dbieganek@dcllp.com>; rquinlan@dcllp.com
Cc: Chuck Russell <crussell@mross.com>
Subject: FW: Canada North - Town of Bonnyville Tax Claim [BJ-WSLegal.FID4561388]

Darren and Ryan

I did not hear back from you on the Monitor's position regarding paying taxes post-filing. Now Chuck Russell has put the point in issue in his brief, though I am not sure how squarely it was raised in an Application. I asked him to leave it for another day, partly because I had not heard your position, but he appears to want to proceed.

Could you confirm that the Monitor's position is that it does not intend to pay property taxes post-filing?

Please let me know as I do not want to prepare a Brief (and possibly an Affidavit) to argue a moot point. This email, but not the chain below, is with prejudice.

As a courtesy, I attach an email chain between the Monitor and our client, which may affect the decision you make.

Ken Lenz Q.C.
***Partner,* Bennett Jones LLP**

4500 Bankers Hall East, 855 - 2nd Street SW, Calgary, AB, T2P 4K7
T. 403 298 3317 | F. 403 265 7219 | M. 403 830 3317
E. lenzk@bennettjones.com
BennettJones.com

From: Chuck Russell <crussell@mross.com>
Sent: Wednesday, August 7, 2019 3:45 PM
To: Ken Lenz <LenzK@bennettjones.com>; Plester, Greg <gplester@brownleelaw.com>; Ryan Flewelling <ryan.flewelling@regentlaw.ca>; Steven A. Rohatyn <srohatyn@parlee.com>; Jeremy H. Hockin <jhockin@parlee.com>; Darren Bieganek (dbieganek@dcllp.com) <dbieganek@dcllp.com>
Cc: Ryan Trainer <rtrainer@mross.com>; Ryan Quinlan <rquinlan@dcllp.com>; Fuentes, Rhea <rfuentes@brownleelaw.com>
Subject: RE: Canada North - Town of Bonnyville Tax Claim [BJ-WSLegal.FID4561388]

Ken, I will wait to hear from Darren and ryan Quinlan before weighing in on this.

chuck

From: Ken Lenz [mailto:LenzK@bennettjones.com]
Sent: Wednesday, August 07, 2019 3:38 PM
To: Chuck Russell <crussell@mross.com>; Plester, Greg <gplester@brownleelaw.com>; Ryan Flewelling <ryan.flewelling@regentlaw.ca>; Steven A. Rohatyn <srohatyn@parlee.com>; Jeremy H. Hockin <jhockin@parlee.com>; Darren Bieganek (dbieganek@dcllp.com) <dbieganek@dcllp.com>
Cc: Ryan Trainer <rtrainer@mross.com>; Ryan Quinlan <rquinlan@dcllp.com>; Fuentes, Rhea <rfuentes@brownleelaw.com>
Subject: RE: Canada North - Town of Bonnyville Tax Claim [BJ-WSLegal.FID4561388]

Chuck, Darren and Group:

Our position is that post filing obligations should be paid by the Monitor as they accrue, consistent with the Initial CCAA Order. This would include the land taxes since the filing. Can the Monitor also confirm that these will be paid, and that we can also include that as part of the Order? Of course these costs can also be taken into account in the allocation?

Ken Lenz Q.C.
***Partner,* Bennett Jones LLP**

4500 Bankers Hall East, 855 - 2nd Street SW, Calgary, AB, T2P 4K7
T. 403 298 3317 | F. 403 265 7219 | M. 403 830 3317
E. lenzk@bennettjones.com
BennettJones.com