COURT FILE NO.	1703 12327	Clerk's Stamp
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	**APPLICATION BY MONITOR**	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Darren R. Bieganek, QC/Ryan F.T. Quinlan Barrister & Solicitor Phone: 780.441.4386/780.441.4336 Fax: 780.428.9683 Email: dbieganek@dcllp.com/rquinlan@dcllp.com	File #204-196164 **DUNCAN CRAIG LLP** LAWYERS MEDIATORS 2800 Scotia Place 10060 Jasper Avenue Edmonton, Alberta Canada T5J 3V9

NOTICE TO RESPONDENTS

This application is made against you. You are a respondent. You have the right to state your side of this matter before the judge.

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

Date:	February 25, 2021
Time:	10:00AM
Where:	**BY WEBEX (log in information to be provided)**
Before Whom:	The Honourable Associate Chief Justice K.G. Nielsen sitting on the Commercial List

Go to the end of this document to see what else you can do and when you must do it.

Remedy claimed or sought:

1) An Order:

   a) declaring Service of this Application and its supporting materials good and sufficient, and if necessary, abridging time for notice of this Application to the time actually given;

   b) an Order approving the accounts of the Monitor and those of its legal counsel without further need for the passing of accounts;

   c) approving the cost allocation as defined and included in the Confidential Supplement to the Monitor's 31st Report (herein the "February 2021 Allocation");

   d) approving a distribution of net proceeds presently held by the Monitor in trust to the creditors in accordance with the recommendations outlined in the February 2021 Allocation;

   e) ancillary orders directing creditors to make payment to others as the Court may direct;

   f) an Order authorizing the Monitor to provide 30 days written notice to municipalities and secured parties claiming an interest in the remaining real property assets of the Applicants of the Monitor's intention to abandon the real property and further authorizing the Monitor to abandon the real properties without recourse against the Monitor after the expiry of the 30 day notice period;

   g) an Order approving the activities of the Monitor as set out in the Monitor's 31st Report and the Confidential Supplement to the Monitor's 31st Report;

   h) a temporarily sealing the Confidential Supplement to the Monitor's 31st Report by way of Sealing Order or Order Restricting Access; and

   i) for such further and other relief as this Honourable Court deems just and appropriate in the circumstances.

Grounds for making this application:

2) On July 5, 2017, Canada North Group Inc., Canada North Camps Inc., Campcorp Structures Ltd. ("Campcorp"), D.J. Catering Ltd. ("DJ"), 816956 Alberta Ltd., and 1371047 Alberta Ltd. (hereinafter made an application before this Honourable Court requesting certain relief under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended and obtained an initial order (the "Initial Order"), a stay of proceedings ("Stay") against the Applicants for a period of 30 days up to and including August 3, 2017, and the appointment of Ernst & Young Inc. (the "Monitor") as monitor of the Applicants.

3) Since that time, 1919209 Alberta Ltd. and Canada North Group LP Holdings Ltd. have been added as "Applicants" to these proceedings, while Campcorp and DJ have been removed from the proceedings.

4) The Stay has been extended on multiple occasions, and is currently in place up to April 16, 2021.

5) In early 2018, at the direction of the Court, the Monitor prepared a proposed allocation analysis regarding anticipated recoveries and anticipate allocation of costs of the proceedings to those recoveries in an effort to inform the Court and the stakeholders of the effective net realization opportunities available to the Estate of the Applicants post-closing of a transaction involving the sale of operational camp assets (the "Camp Sale Transaction").

6) The proposed original allocation was outlined in a Confidential Supplement to the Monitor's 11th Report.

7) Since that time, realizations have been undertaken by the Monitor pursuant to an Order and Orders granting the Monitor enhanced powers to affect the realizations.

8) The realizations are now substantially complete and the proceedings are moving forward to a conclusion.

9) Pursuant to paragraph 47 of the Initial Order granted in these proceedings on July 5, 2017, 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 Director's Charge amongst the various assets comprising of the property. This application is made in accordance with that direction.

10) The Monitor's proposed February 2021 Allocation is contained within the Confidential Supplement to the Monitor's 31st Report.

11) The Monitor's rationale and approach to the preparation of the February 2021 Allocation has been outlined in the 31st Report and in the Confidential Supplement to the 31st Report. The Monitor has crafted a proposed allocation based on a methodology which it considers to be fair and equitable in all of the circumstances and generally treats all non-super priority secured creditors equitably. The nature of the security held and potential benefit received by mortgage lenders necessitated an equitable variance in their favour, in order to reduce the amount of general costs attributed to their assets, based on the nature of their assets, the types of their security held and the demonstrable recoveries in respect of those particular assets.

12) The Monitor's approach is consistent with principles articulated in caselaw and will result in distributions to creditors which are:

   a) based on the actual realizations attributed to the collateral;

   b) less a *pro rata* share (based on realizations) of any specific charges or costs incurred applicable to the specific Applicant owning the collateral; and

   c) less a proposed percentage of general costs varied to account for what the Monitor believes are differences obtained by creditors based on the nature of the collateral held.

13) In all of the circumstances, the February 2021 Allocation is fair and reasonable.

14) With respect to certain unsold real property assets, the Monitor notes that realizable value of the remaining real property assets may not be sufficient to cover outstanding property taxes and the outstanding mortgage debt on the property. There is no need or reason for the Monitor to continue to pay for the maintenance and security of those real property assets and is accordingly recommending that the interested stakeholders be given a 30 day notice of the

Monitor's intention to abandon the property in order to give those stakeholders an opportunity to assume the maintenance and security obligations in relation of same, failing which the Monitor will be authorized to abandon those properties without further notice and without recourse to the Monitor.

15) As part of the allocation process, the Monitor's fees and costs and those of its counsel must be evaluated and considered. The Monitor requests that the Court confirm the fairness and reasonableness of the Monitor's fees and costs and those of its legal counsel without the need for the full and complete passing of accounts. The Monitor believes that its fees and costs and those of its counsel are reasonable and fair in the circumstances considering the tasks undertaken by the Monitor and its legal counsel in bringing the proceedings to this stage and the efforts that were required in order to do so.

16) The Confidential Supplement to the Monitor's 31st Report contains the proposed February Allocation and includes information pertaining to values of remaining real property assets which have yet to be disposed of. In the circumstances, preserving confidentiality with respect to those assets values is considered by the Monitor to be in the best interests of the stakeholders respecting the remaining real estate assets in an effort to preserve the value and therefore requests that the Confidential Supplement to the 31st Report be sealed in the interest of those stakeholders.

17) The Monitor has prepared the 31st Report and the Confidential Supplement to the 31st Report in good faith and its activities have been done in accordance with the directions of the Court and its duties and obligations under the *Companies' Creditors Arrangement Act* ("CCAA") and accordingly its activities as outlined in the 31st Report and the Confidential Supplement to the 31st Report ought to be approved.

18) Such further and other grounds as counsel may advise and the Court permit.

Material or evidence to be relied on:

19) The 31st Report of the Monitor, filed.

20) Confidential Supplement to the Monitor's 31st Report (not filed).

21) The pleadings and proceedings, including prior Monitor's Reports, taken in this Action to date.

22) Such further and other materials as previously filed in this matter as counsel may advise and this Honourable Court permits.

Applicable rules:

23) *Alberta Rules of Court* AR 124/2010, including Rules 1.2, 1.4, 6.1, 6.2, 6.3 and 9.12 and Division 4 of Part 6.

Applicable Acts and regulations:

24) *Companies' Creditors Arrangement Act*, R.S.C. 1985, c C-36, as amended, including ss. 9, 11, 23, and 25 thereof.

25) Such further other Acts and regulations as counsel may advise.

Any irregularity complained of or objection relied on:

26) N/A.

How the application is proposed to be heard or considered:

27) Before the Honourable Associate Chief Justice K.G. Nielsen, by way of WebEx.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered.