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	**SUPPLEMENT TO THE MONITOR'S THIRTY-FIRST REPORT**
	February 22, 2021
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	<u>MONITOR</u> ERNST & YOUNG INC. EPCOR Tower 10423 - 101 Street, Suite 1400 PO Box 44 Edmonton, Alberta T5H 0E7 Attention: Matt McCulloch / Dan McCulloch Telephone: 780-638-6642 / 780-441-4695 Fax: 780-428-8977 Email: matt.mcculloch@ca.ey.com dan.mcculloch@ca.ey.com **<u>COUNSEL</u>** Duncan Craig LLP Suite 2800, 10060 Jasper Avenue Edmonton, Alberta T5J 3V9 Attention: Darren R. Bieganek, QC / Ryan F.T. Quinlan Phone: 780-441-4386 / 780-441-4336 Fax: 780-428-9683 Email: dbieganek@dcllp.com rquinlan@dcllp.com

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PURPOSE OF THE REPORT

1. The purpose of this Supplement to the Monitor's 31st Report (the "**31st Supplement**") is to provide the Court and the Remaining Applicants' stakeholders with additional information and other material in relation to the upcoming hearing to approve the February 2021 Allocation and other relief, and to provide further information related to several comments raised by Northland Mortgage & Investment Corporation ("**Northland**") relevant to the application currently scheduled for February 25, 2021. Given the late receipt of Northland's materials and the very limited time to respond, the Monitor has not prepared information or responses on every comment raised by Northland, but rather has focused its comments in this 31st Supplement to respond or provide further information in relation to what the Monitor considers the more significant comments raised. The Monitor is prepared to address all of Northland's concerns if it is directed to do so by the Court.

DISCLAIMER

2. This 31st Supplement should be read in conjunction with all previously filed affidavits and reports, as well as Court Orders and unfiled Confidential Supplements previously issued in these proceedings all of which, save for items directed to be sealed for confidentiality purposes, are available on the Monitor's website established for these proceedings that is located at *https://documentcentre.ey.com/#/detail-engmt?eid=303* as only new details not previously provided to the Court will be discussed herein, unless otherwise stated. The Monitor reminds all parties reviewing this report that the website address established for these proceedings has changed since the filing of the 28th Report to the address noted above as the Monitor's firm has revamped its web-based document centre for all of its engagements.

3. Unless otherwise stated, all references to monetary amounts contained herein are expressed in Canadian currency. Capitalized terms used herein not otherwise defined are as defined in the previous reports of the Monitor and other materials filed in connection with these CCAA proceedings to date.

ADDITIONAL INFORMATION IN RESPONSE TO CERTAIN MATTERS RAISED BY NORTHLAND

Sale of Winterburn

4. The recent materials filed by Northland state that given the Winterburn property was sold prior

to the Monitor's powers being expanded, the resulting sale and the proceeds therefrom could not have possibly been the result of the Monitor's primary liquidation efforts, and further, any fees incurred by the Monitor after May 3, 2018 could not be attributable to the Winterburn property or the sale thereof. The Monitor disagrees with these statements for a number of reasons which include, but are not limited to, the matters outlined in the paragraphs that follow.

5. To begin, Winterburn was an integral location for the Applicants leading up to the time of the sale as the site was used by the Applicants to store a number of camp related assets (such as dorms), a significant number of pieces of rolling stock and other equipment, inventory and other supplies. The Winterburn property was also the primary location out of which CCS operated and constructed its dorms and other modular units for its customers.

6. In the time leading up to the sale, the Monitor was involved in a number of discussions with the purchaser and Management in relation to the logistics of the transaction, the requirement of the Court's approval, asset relocation planning, possession issues, and a number of other site related matters.

7. After the sale closed, significant time and expenses were incurred by the Monitor (in terms of both professional fees and out of pocket costs), on account of dealing with several significant issues in relation to the Winterburn property and the related sale. Two significant examples of such issues include:

   a.) working with the purchaser, Management, existing staff of the Applicants (that were retained by the Monitor) and other third parties to coordinate the removal of the significant volume of the Applicants' assets located on site that were not removed prior to the new owner's possession; and,

   b.) the removal and transportation of the Fairview Daycare modular units from the Winterburn site (the Fairview Daycare was under construction on the Winterburn sale site, but not completed or ready to be transported at the time the sale occurred).

8. As briefly noted above, with the exception of the Fairview Daycare modular units (discussed next), the balance of the Applicants' assets at Winterburn were required to be relocated to the Applicants' Farm to facilitate the sale of Winterburn and clear the property for the new owner. Much of this activity continued after the Winterburn sale transaction had closed, the Monitor's

powers were expanded, and the new owner had possession of the property. Many of the rolling stock assets on site did not start or were otherwise not operational and required repairs or towing, while some units were essentially scrap. Other assets required transportation logistics (ie: packaging and sorting) to load onto flatbeds or into containers. Further, once all assets with value had been relocated from Winterburn there remained a tremendous amount of garbage/scrap that required clean up and removal from the site. The Monitor worked with the new owner and made arrangements to clean and remove the remaining waste material and regrade the site as required.

9. In regard to the Fairview Daycare project, as noted above, the Monitor advises that this project was incomplete at the time of the Winterburn sale and the Monitor was advised by existing staff of the Applicants that additional time on site at Winterburn was required to continue with the fabrication of the related modular units (to a point where they could be transported and assembled), and then arrangements needed to be made to transport the modular units off of the Winterburn property to Fairview, Alberta. The Monitor and its team were required to assist the various parties and employees retained to facilitate the removal and transportation of the Fairview Daycare from the Winterburn property.

10. Pursuant to the February 2021 Allocation, Northland is not being asked to contribute to any of the costs incurred to move assets and clear the Winterburn site for the new owner and all such costs are being borne by other stakeholders, primarily Staheli and CWB. The Monitor has discussed these expenses with counsel for Staheli to better explain or help justify at least a portion of the costs allocated to Staheli in the October Allocation, and carried forward to the February 2021 Allocation. To date, the Monitor is not aware of any issues Staheli has as a result. The Monitor is of the view that, should there be any distribution of funds to Northland in relation to Winterburn that Northland should also share in its proportion of these costs from any proposed distribution, funds permitting. Further work and analysis of these costs by the Monitor will be required if it is determined that Northland is required to contribute to these costs from any proposed distribution.

Camp assets sold/located on the Wabasca Property

11. The Monitor does not agree that with Northland's comment that the Wabasca property was used to "store" assets at that site. No assets were transported to Wabasca by the Monitor to "store", but rather the Wabasca site was a camp set up by the Applicants prior to the onset of these CCAA proceedings and operated by the Applicants until closed by the Monitor shortly

after the expansion of its powers. It was determined by the Monitor in consultation with Management that the costs to continue to operate the Wabasca camp would far outweigh the revenues derived therefrom and would also likely outweigh carrying and security costs if the camp was shuttered.

12. Once the Wabasca camp was closed, all nonessential rolling stock and most of the other non-camp specific equipment/surplus assets were removed from Wabasca, relocated to the Farm and sold at auction shortly after the expansion of the Monitor's powers.

13. Notwithstanding the above, it is the Monitor's position that, at least initially, it was in the best interests of the estate generally and Northland to leave the larger camp assets located on the Wabasca site on location in the hopes of a sale of the property as a possible camp operation. The units were winterized as the Monitor had ceased operations and winter was fast approaching. It was determined by the Monitor that the winterization of the camp assets was likely less costly than maintaining utilities over the winter and winterizing the camp assets would also serve to reduce the risk of pipes freezing to the estate while a buyer(s) for the camp or the assets was being pursued. As time went on and no such offers or interest whatsoever were received, the Monitor moved forward with liquidating the camp assets located on site. Given that there was no interest in the Wabasca property, there was no justifiable reason for the Monitor to incur the significant costs and bear the risks associated with demobilizing and moving the camp related assets from the Wabasca site in preparation for sale.

Security and Maintenance Costs Pertaining to Wabasca

14. Attached as Schedule A to this report is an analysis prepared by the Monitor in relation to the out of pocket costs incurred to safeguard and maintain the Applicants' Wabasca property approximately as at the date of this 31st Supplement.

15. The Monitor advises that despite Northland having a first priority mortgage over the Wabasca property, it has not contributed to, nor has it been requested to contribute to, these costs pursuant to the February 2021 Allocation. Instead, these costs have been incurred by other stakeholders to date, which the Monitor understands such other stakeholders are willing to accept if the February 2021 Allocation is approved by the Court.

16. Should there be any distribution afforded to Northland on account of the Wabasca property or otherwise, the Monitor is of the view that Northland's applicable portion of such costs noted in

Schedule A should be born by Northland and deducted from any proposed distribution, in order to ensure consistent treatment amongst creditors.

Additional Information and Photographs of Wabasca

17. Attached as Schedule B to this 31st Supplement are copies of emails sent to Northland's counsel in relation to the camp assets located at Wabasca. In addition, attached as Schedule C are copies of certain photographs and related assets located at the Wabasca site.

18. The Monitor provides these emails, photographs and the narrative below to assist the Court in understanding the way in which the camp related assets and shop sold by the Monitor to date were placed on the Wabasca site, in the event further dispute continues in relation to whether such assets were fixtures on the property.

19. As can be seen in several of the attached photos, with the exception of the assets discussed specifically below, the dorms/boxes that were on site but have been sold by the Monitor were simply placed on top of stacked wooden blocks to level and elevate them off of the ground. These dorms/boxes were not affixed to the wooden blocks, nor were the wooden blocks affixed to the ground in any fashion. Other smaller units were skidded and simply sitting on the ground.

20. In regard to the assets described in the Applicants' asset listings as unit 75 (Dorms 8 & 9) and 76 (Two storey, 60 room dorm) located at Wabasca, screw piles and girders (which were affixed to the land) were used to level the dorms/boxes and elevate them off of the ground. The Monitor has reviewed this matter its outside consultant (Used Modulars) who discussed the removal of these units with the contractor(s) who removed the assets from the site and as a result, the Monitor advises the following:

a.) unit 75 was secured to the girders using "some lag bolts", but lag bolts were not used at every possible mounting point. The Monitor has requested a more detailed explanation/estimate of what "some lag bolts" means and is awaiting a response as at the date of this 31st Supplement; and,

b.) unit 76 was secured to the girders using strapping that was affixed to the bottom of the boxes and wrapped around the girders in some fashion. Again, the Monitor is following up with Used Modulars for more advice in regard to how this strapping works and will advise the Court if and when additional information is received (if required).

21. The only other asset at Wabasca that was sold by the Monitor that could be questioned as being affixed to the lands is unit 84 (a shop) which sold for $1,500.00. The Monitor understands that this asset has a dirt floor and is (as the purchaser has never attended the site to remove the asset as at the date of this 31st Supplement) anchored to the ground in some fashion but can be removed and relocated fairly easily. This asset was listed by the auctioneer as a "Norseman Portable Shelter" in the auction sale. The exact method that this asset is attached to the ground is not known by the Monitor as at the date of this 31st Supplement.

Unpaid Property Tax on Wabasca

22. In the materials filed recently by Northland, at paragraph 33 (a), Northland claims that no property tax payments were made with respect to the Bonnyville or "Winterburn" properties leading to an inequity against Northland. The Monitor reads this statement and believes Northland has made an error in its materials and that "Winterburn" should likely read "Wabasca". The Monitor disagrees with this statement. Based on information and the interest in the Wabasca property to date, it is the Monitor's position that had Northland lifted the stay or otherwise taken back the property earlier in these proceedings, that it would have had to pay the property taxes over time in any event, or allow the charges to accrue against the land. Further, given that the security and maintenance costs are being born by other stakeholders if the February 2021 Allocation is approved, the Monitor is of the view that no real inequity has occurred.

Bonnyville Tax Assessments

23. In the materials filed recently by Northland, at paragraph 33 (b), Northland claims that no property tax appeals were commenced on the Bonnyville property by the Monitor. Attached as Schedule D to this report are copies of emails exchanged between representatives of Northland and the Monitor in this regard. The Monitor advises that there are numerous emails in relation to this matter that can be provided if required, but as seen in the attached emails, after some work and discussions with the Assessment Specialist for town of Bonnyville, Northland's comments to the Monitor in one of the emails attached are that the revised allocation proposed "defeats the whole purpose" and they "don't want that". Another email in the attached schedule shows the Monitor's communication of this matter to Northland's counsel at the time, and to the best of the Monitor's recollection and knowledge, no response or request for further follow up was ever received.

Efforts to Sell Bonnyville and Wabasca Properties

24. Northland indicates that there was no active effort made to sell the Bonnyville and Wabasca properties. The Monitor disagrees.

25. First, with respect to Wabasca, the Monitor advises the following:

a.) The property was listed with a commercial realtor for basically the entirety of these CCAA proceedings. The Applicants originally listed Wabasca, and the Monitor continued and extended the listing after its powers were expanded and as extensions were required;

b.) After some period of no interest in Wabasca coming from any party and after consultation with the realtor, the Monitor instructed the realtor to alter its advertising brochures to communicate to prospective purchasers that the seller was motivated and open to offers, despite any stated listing prices;

c.) The Monitor discussed Wabasca with its consultant Used Modulars who also indicated they would also look for a potential buyer, and further, they would work with the existing realtor to see if there was anything they could do together to facilitate a sale. The Monitor understands that the realtor and a representative from Used Modulars did meet to discuss strategy in this regard; and,

d.) The Wabasca property was noted as an available asset for sale on the auctioneer's (Mirterra) website which was viewed by all parties attending the auction sale on December 27, 2019.

26. With respect to Bonnyville, the Monitor advises the following:

a.) Similar to Wabasca, the property was listed with a commercial realtor and the brochures and public sale materials noted that the seller was motivated and open to considering all offers. In correspondence received from the realtor, the Monitor understands that telephone calls were made to 220 potential purchasers in relation to Bonnyville and the other real properties of the Applicants by the realtor; and,

b.) The Monitor was advised by Northland that there was no signage on site, and as a result, the Monitor immediately contacted the realtor who indicated that signage was originally put in place but must have been knocked down or otherwise removed from the property. The realtor advised the Monitor that new signage was erected in due course thereafter.

27. Generally, the Monitor did follow up and seek the advice of the realtor and others on numerous occasions in an attempt to sell the properties. The reality of the situation is simply that there has been no real demand for such properties, despite any sale efforts to date.

28. Attached as Schedule E to this report are a number of emails and related information from the realtor in relation to the various properties of the Applicants, including Wabasca and Bonnyville. As can be seen from a review of the materials in Schedule E, the advice received by the Monitor from the realtor consistently indicated that the demand for such properties was low, and further indicate that the Monitor advised that the strategy it was trying to pursue was a sale within a 6 month timeframe.

29. Recently, the realtor presented offers from a potential purchaser to the Monitor in relation to a portion of the Bonnyville properties which are subject to Northland's mortgage, which in turn were presented to Northland by the Monitor. In its correspondence to the Monitor with these offers, the realtor indicates that the offers are low, but in line with pricing recently seen for similar land sold in Bonnyville by public auction. Northland advised the Monitor it was not in favour of accepting the offers presented, despite the lack of interest to date and the supporting information provided by the realtor.

The Accounts of the Monitor and its Counsel

30. Attached as Schedules F and G to this report are the standard hourly rate cards of the Monitor and its counsel respectively. The Monitor advises that in all instances, its Accounts were accumulated based on the rates noted in Schedule F, or at an amount that was less than the rates noted therein. As noted in the 31st Report, the Monitor applied courtesy discounts to a number of its invoices, and in some instances these discounts were in the form of discounted hourly rates for various individuals working on the matter. Further, the Monitor understands that its counsel's Accounts were accumulated based on the rates noted in Schedule G.

31. The Monitor advises that it and its counsel have provided copies of their detailed time records and rate cards to all stakeholders who have requested such records (on a confidential basis) as at the date of this 31st Supplement. This includes CWB, BDC and Northland. Such detailed information on the accounts of the Monitor and its legal counsel were provided promptly upon request. To date, no specific concerns or questions have been posed to the Monitor or its counsel in relation to these detailed records provided.

32. The Monitor further advises that although its Accounts, and the Accounts of its counsel have

not formally been passed by the Court until now (for reasons discussed in the 31st Report), the quantum of such fees has essentially been presented to the Court and stakeholders, through Statements of Receipts and Disbursements ("**SRDs**"), on a number of occasions in the following reports:

a.) Monitor's 20th Report (November 26, 2018)
b.) Monitor's 22nd Report (January 28, 2019)
c.) Monitor's 27th Report (November 25, 2019)
d.) Monitor's 28th Report (April 9, 2020)
e.) Monitor's 29th Report (October 23, 2020)
f.) Monitor's 31st Report (Feb 5, 2021)

The bulk of the Accounts of the Monitor and its counsel are disclosed as disbursements in the Monitor's SRDs for 185(CNC) attached as schedules to the reports noted above.

33. In addition to the SRDs, the Monitor provided various versions of proposed cost allocations in a number of the Confidential Supplements to its Reports, which also provided information and insight into the professional costs being incurred in these proceedings to stakeholders and the Court. Such Confidential Supplements were available to all stakeholders so long as they provided the customary confidentiality undertaking.

34. Specifically, the Monitor advises that the entirety of its fees are reflected in the SRDs for 185 (CNC); however, the legal fees reflected in the SRDs for 185(CNC) do not reflect payments of $144,428 (as per the records of the Applicants) paid by the Applicants directly to the Monitor's counsel and also include other legal fees of the Applicants which were paid as incurred. Notwithstanding the above, the legal fees noted as being paid by the Monitor on the most recent 185(CNC) SRD were in excess of $1.11 million, an amount well in excess of the Monitor's counsel's Accounts. Based on this disclosure, and the fact that prior to the receipt of Northland's materials very recently, no creditor has made any formal complaint to the Court or requested any formal passing of the Accounts to date, the Monitor is of the view that the stakeholders were generally advised of the Accounts over time and that if any creditor was opposed to the fees being incurred or not being passed periodically on an interim basis, that ample time to raise such concerns has been provided.

35. Northland also indicates that the Monitor bears the onus of demonstrating that its fees and those of its counsel are fair and reasonable and must provide the Court with cogent evidence

on which the Court can base its assessment in this regard. It is well known that these CCAA proceedings have been extremely contentious, litigious, and complicated since the onset, and have been very lengthy in part as a result. The Monitor did not run through the litany of issues encountered and resolved to date in the 31st Report to justify the Accounts, but certainly can do so if the Court requires. Such issues can be derived from a review of the Monitor's detailed time records which, as noted earlier, have been provided to CWB, BDC and Northland. The Court has been instrumental and heavily involved in these CCAA proceedings to date and as a result is aware of the problematic, contentious and intense nature of the circumstances. The Monitor did not feel that running through and trying to list all of the issues encountered was necessary given the involvement of the Court and doing so was not an effective use of the Court's time unless specifically requested to do so.

36. In furtherance of the paragraph above, this 31st Supplement represents the forty-sixth report (including confidential supplements/reports) required to be drafted by the Monitor in relation to these CCAA proceedings. Many of these reports were not only extremely time intensive to prepare, but were often based on the tremendous time and effort of the Monitor and its counsel in the day to day dealings with the Applicants, landlords, creditors, customers, business associates (such as 726) and assets of the estate. The Monitor respectfully submits that the sheer number of reports required to date as stated herein, and related Court appearances and applications required alone represent a compelling indication of the magnitude, complexity and the time implications of these CCAA proceedings, and the resulting professional fees of the Monitor and its counsel. In addition, many of the reports issued related to various litigation of the Monitor (such as the 726 litigation) which have significantly benefitted the estate, and other reports (including this 31st Supplement) were required to address various creditor applications and other related issues.

OTHER OVERALL COMMENTS IN RELATION TO THE MONITOR'S DEALINGS WITH NORTHLAND

37. Given the timing of the receipt of Northland's materials, the Monitor simply could not respond to every point raised by Northland. This is especially frustrating as the Monitor and its counsel have been requesting information and a position from Northland since December 17th, 2020. Until Northland's materials were received after regular business hours on February 19, 2021, the Monitor was essentially unaware of Northland's formal positions. Attached as Schedule H to this report is a copy of the Monitor's counsel's December 17th, 2020 letter sent to former counsel for Northland, as well as recent emails to Northland's current counsel in this regard for

the Court's reference.

38. In addition to the above, the Monitor advises that after conducting a quick search of only this writer's emails (and not including additional emails and correspondence of the Monitor's team that this writer may not have been party to), this writer has received at least 92 direct emails from Northland's representative, and devoted numerous hours to telephone calls and work related to other concerns of Northland throughout these CCAA proceedings. The Monitor is of the view that to the extent possible (and being mindful of counsel engaged on both sides), the Monitor made a reasonable effort to work with Northland, listen and try to deal with its concerns, and sell the Wabasca and Bonnyville properties. Further, Northland should have been well aware of the circumstances pertaining to the properties as a result of its correspondence with the Monitor and its own due diligence conducted on the properties at various points in the proceedings to date.

39. Based on the above, and the other matters outlined in this report, it is the Monitor's position that if Northland is going to obtain distribution as a result of revisions to the February 2021 Allocation that it ought to be allocated its appropriate and applicable percentage of general costs to ensure consistent treatment amongst creditors.

OTHER MATTERS

40. There are no other matters to be reported at this time.

All of which is respectfully submitted.

Dated at Edmonton, this 22nd day of February, 2021.

Ernst & Young Inc.
In its capacity as Monitor of
667402 Alberta Ltd.; 18512398 Alberta Ltd.; 816956 Alberta Ltd.; 1371047 Alberta Ltd.; 1919209 Alberta Ltd.; and Canada North Group LP Holdings Ltd.
and not in its personal or corporate capacity

Per:

Matt McCulloch, CA, CPA, CIRP, LIT
Senior Vice President

SCHEDULE A

ReceiptDate	ChequeNumber	DisbAmount	Expense Total
2018-05-23 0:00	24 - Direct Energy Regulated Services - Invoice #CNC - 770001092723 (APR)	19.62	
2018-05-23 0:00	25 - Direct Energy Regulated Services - Invoice #CNC - 770001093077 (APR)	19.59	
2018-05-23 0:00	26 - Direct Energy Regulated Services - Invoice #CNC - 770001093465 (APR)	19.59	
2018-05-23 0:00	27 - Direct Energy Regulated Services - Invoice #CNC - 770001890431 (APR)	108.14	
2018-05-23 0:00	28 - Direct Energy Regulated Services - Invoice #CNC - 770001890613 (APR)	200.49	
2018-05-23 0:00	29 - Direct Energy Regulated Services - Invoice #CNC - 770001890746 (APR)	1,090.83	
2018-05-23 0:00	30 - Direct Energy Regulated Services - Invoice #CNC - 770001911013 (APR)	138.26	
2018-05-23 0:00	31 - Direct Energy Regulated Services - Invoice #CNC - 770001911146 (APR)	268.43	
2018-05-23 0:00	39 - Municipal District of Opportunity No. 17 - Invoice #CNC - 3131765901.02 (APR)	540.00	
2018-05-23 0:00	40 - Municipal District of Opportunity No. 17 - Invoice #CNC - 6201078001.01 (APR)	20.00	
2018-05-23 0:00	41 - Municipal District of Opportunity No. 17 - Invoice #CNC - 3300110001.01 (APR)	20.00	
2018-05-23 0:00	42 - Municipal District of Opportunity No. 17 - Invoice #CNC - 3100965301.01 (APR)	20.00	
2018-05-23 0:00	43 - Municipal District of Opportunity No. 17 - Invoice #CNC - 3100149801.01 (APR)	20.00	
2018-05-30 0:00	72 - AltaGas Utilities Inc. - Invoice #CNC - 1292679-6 (APR)	1,174.35	
2018-05-30 0:00	76 - Direct Energy Regulated Services - Invoice #CNC - 770001093465 (MAY)	21.94	
2018-05-30 0:00	77 - Direct Energy Regulated Services - Invoice #CNC - 770001092723 (MAY)	21.94	
2018-05-30 0:00	78 - Direct Energy Regulated Services - Invoice #CNC - 770001093077 (MAY)	21.94	
2018-05-30 0:00	79 - Direct Energy Regulated Services - Invoice #CNC - 770001911146 (MAY)	162.33	
2018-05-30 0:00	80 - Direct Energy Regulated Services - Invoice #CNC - 770001911013 (MAY)	97.89	
2018-05-30 0:00	81 - Direct Energy Regulated Services - Invoice #CNC - 770001890431 (MAY)	83.50	
2018-05-30 0:00	83 - Direct Energy Regulated Services - Invoice #CNC - 770001890746 (MAY)	887.94	
2018-05-30 0:00	89 - Municipal District of Opportunity No. 17 - Invoice #CNC - 6201078001.01 (MAY)	20.30	
2018-05-30 0:00	90 - Municipal District of Opportunity No. 17 - Invoice #CNC - 3300110001.01 (MAY)	20.30	
2018-05-30 0:00	91 - Municipal District of Opportunity No. 17 - Invoice #CNC - 3100149801.01 (MAY)	20.30	
2018-05-30 0:00	92 - Municipal District of Opportunity No. 17 - Invoice #CNC - 3131765901.02 (MAY)	548.10	
2018-05-30 0:00	93 - Municipal District of Opportunity No. 17 - Invoice #CNC - 3100965301.01 (MAY)	20.30	
2018-06-12 0:00	120 - AltaGas Utilities Inc. - Invoice #CNC - 129267-6 (Wabasca)	833.73	
2018-06-20 0:00	121 - Municipal District of Opportunity No. 17 - Invoice #CNC - 238063	85.58	
2018-06-20 0:00	122 - Municipal District of Opportunity No. 17 - Invoice #CNC - 317533	114.84	
2018-06-20 0:00	123 - Municipal District of Opportunity No. 17 - Invoice #CNC - 317537	478.62	
2018-07-11 0:00	140 - Direct Energy Business - Invoice #CNC - 800000011976 (MAY)	2,861.74	
2018-07-11 0:00	141 - Direct Energy Business - Invoice #CNC - 800000011976 (APR)	4,566.70	
2018-07-23 0:00	146 - Direct Energy Regulated Services - Invoice #CNC - Wabasca - Acct # 770001092723, 770001093077, 770001093465	123.66	
2018-08-01 0:00	153 - Direct Energy Regulated Services - Invoice #CNC - 770001890613, 770001890431, 770001911146, 770001890746, 770001911013	2,746.06	
2018-08-17 0:00	160 - Direct Energy Business - Invoice #CNC - Acct No. 800000011976	2,837.54	
2018-08-30 0:00	164 - Municipal District of Opportunity No. 17 - Invoice #CNC - 3131765901.02 (June & July)	1,677.68	
2018-08-30 0:00	165 - Direct Energy Regulated Services - Invoice #CNC - 770001911013, 1890431, 1890746, 1890613, 1911146, 1093465, 1093077, 1092723	1,102.17	
2018-08-30 0:00	166 - AltaGas Utilities Inc. - Invoice #CNC - Acct No. 1292679-6 Wabasca	58.04	
2018-09-06 0:00	168 - Municipal District of Opportunity No. 17 - Invoice #CNC - 3131765901.03 (August)	540.00	
2018-09-25 0:00	181 - Direct Energy Regulated Services - Invoice #CNC - Acct No. 770001092723, 770001093465, 770001093077 - Wabasca	63.45	
2018-09-25 0:00	182 - AltaGas Utilities Inc. - Invoice #CNC - Acct No. 1292679-6 Wabasca	639.94	
2018-10-05 0:00	196 - Direct Energy Regulated Services - Invoice #CNC - 770001911013, 1890431, 1890746, 1890613, 1911146	1,166.03	
2018-10-05 0:00	197 - AltaGas Utilities Inc. - Invoice #CNC - Acct No. 1292679-6 Wabasca	500.36	
2018-10-18 0:00	204 - Direct Energy Regulated Services - Invoice #CNC - 770001093077, 770001093465, 770001092723	58.68	
2018-10-18 0:00	205 - Direct Energy Business - Invoice #CNC - Acct No. 800000011976	780.22	
2018-10-29 0:00	208 - Direct Energy Regulated Services - Invoice #CNC - 77000-1911013,1890431,1890746,1890613,1911146 Wabasca	962.95	
2018-10-29 0:00	208 - Direct Energy Regulated Services - Invoice #CNC - 77000-1911013,1890431,1890746,1890613,1911146 Wabasca	3.89	
2018-11-06 0:00	212 - Municipal District of Opportunity No. 17 - Invoice #CNC - 3131765901.03 (SEP, OCT 2018)	1,104.42	
2018-11-21 0:00	222 - Direct Energy Regulated Services - Invoice #CNC - 770001093077, 770001093465, 770001092723 - Wabasca	75.33	
2018-11-27 0:00	228 - Direct Energy Regulated Services - Invoice #CNC - 77000-1911013,1890431,1890746,1890613,1911146 Wabasca	1,145.27	

Insurance	Monthly		
Pre Sale	$	35,007.00	1667 /month
Post Sale	$	4,683.00	669 /month
Security			
Pre Sale	$	83,227.97	
Post Sale	$	88,071.78	Jan 28,2020 to Feb 15,2021
Utilities			
Pre Sale	$	66,111.13	
Post Sale	$	24,816.05	
Repairs/Maintenance			
Pre Sale	$	6,413.75	
Post Sale	$	4,987.48	
Total	$	313,318.16	

2018-12-10 0:00	230 - MD Of Opportunity No. 17 - Invoice #CNC - 3131765901.03 (August)	523.68	
2018-12-17 0:00	238 - Direct Energy Business - Invoice #CNC - Acct No. 800000011976	1,979.55	
2018-12-17 0:00	239 - AltaGas Utilities Inc. - Invoice #CNC - Acct No. 1292679-6 Wabasca	341.43	
2018-12-20 0:00	241 - Jeffrey Bose - Invoice #Payroll December 2-15, 2018	1,459.58	
2019-01-03 0:00	243 - Direct Energy Regulated Services - Invoice #CNC - 77000-1911013,1890431,1890746,1890613,1911146, 1093077, 1093465, 1092723 Wabasca	1,223.61	
2019-01-04 0:00	244 - Jeff Bose - Invoice #December 16-29, 2018	1,661.95	
2019-01-04 0:00	245 - Municipal District of Opportunity No. 17 - Invoice #CNC - 3131765901.03 December 2018	40.00	
2019-01-08 0:00	248 - Quest Disposal & Recycling Inc. - Invoice #CNC - Wabasca Invoice No. 14895, 15419, 16026, 17102, 17644, 18304, 18616, 18628	6,413.75	
2019-01-09 0:00	253 - Receiver General - Invoice #CNC - 86849 4139 RP0001 - SD for Period of Nov 18 - Dec 1, 2018.	541.93	
2019-01-09 0:00	254 - Receiver General - Invoice #CNC - 86849 4139 RP0001 - SD for Period of Dec 2 - Dec 15, 2018.	541.93	
2019-01-09 0:00	255 - Receiver General - Invoice #CNC - 86849 4139 RP0001 - SD for Period of Dec 16 - Dec 29, 2018.	649.56	
2019-01-09 0:00	251 - AltaGas Utilities Inc. - Invoice #CNC - Acct No. 1292679-6 Wabasca	710.43	
2019-01-18 0:00	258 - Jeff Bose - Invoice #December 30,18 - Jan 12, 2019.	1,636.79	
2019-01-18 0:00	259 - Direct Energy Business - Invoice #CNC - Acct No. 80000001197 - Wabasca	1,399.30	
2019-01-29 0:00	260 - Direct Energy Regulated Services - Invoice #CNC - 770001093077, 770001093465, 770001092723 - Wabasca	75.54	
2019-02-04 0:00	264 - Jeff Bose - Invoice #Wages Jan 13 - 26, 2019	1,463.78	
2019-02-04 0:00	265 - Municipal District of Opportunity No. 17 - Invoice #CNC - 3131765901.03 January 2019	40.40	
2019-02-07 0:00	267 - Receiver General - Invoice #CNC - 86849 4139 RP0001 - SD for period of Dec 30 - Jan 12, 2019.	655.10	
2019-02-07 0:00	268 - Receiver General - Invoice #CNC - 86849 4139 RP0001 - SD for Period of Jan 13 - 26, 2019	539.29	
2019-02-14 0:00	271 - Jeff Bose - Invoice #Wages Jan 26 - Feb 9, 2019 - Reimburse Jeff for Internet Bill Acct #35321551	1,463.78	
2019-02-14 0:00	271 - Jeff Bose - Invoice #Wages Jan 26 - Feb 9, 2019 - Reimburse Jeff for Internet Bill Acct #35321551	75.00	
2019-02-15 0:00	275 - Direct Energy Business - Invoice #CNC - Acct No. 800000011976 - Wabasca	1,866.18	
2019-02-20 0:00	276 - AltaGas Utilities Inc. - Invoice #CNC - Acct No. 1292679-6 Wabasca	1,098.79	
2019-02-20 0:00	277 - Direct Energy Regulated Services - Invoice #CNC - 770001093077, 770001093465, 770001092723 - Wabasca	76.74	
2019-02-22 0:00	278 - Receiver General - Invoice #CNC - 86849 4139 RP0001 - SD for period of Jan 27- Feb 9, 2019.	539.29	
2019-02-28 0:00	280 - Jeff Bose - Invoice #Wages Feb 10-23, 2019 and Expenses - Expense Reimbursement Walmart $40.69, Gas $125, Jiffy Lube $103.43, Telus $78.75	1,628.58	
2019-02-28 0:00	280 - Jeff Bose - Invoice #Wages Feb 10-23, 2019 and Expenses - Expense Reimbursement Walmart $40.69, Gas $125, Jiffy Lube $103.43, Telus $78.75	347.87	
2019-03-07 0:00	283 - Receiver General - Invoice #CNC - 86849 4139 RP0001 - SD for Period of Feb 10 - 23, 2019.	649.56	
2019-03-07 0:00	282 - Municipal District of Opportunity No. 17 - Invoice #CNC - 3131765901.03 February 2019	39.20	
2019-03-14 0:00	287 - Jeff Bose - Invoice #Wages Feb 24 - Mar 9, 2019	1,463.78	
2019-03-15 0:00	288 - Direct Energy Business - Invoice #CNC - Acct No. 800000011976 - Wabasca	1,987.55	
2019-03-15 0:00	290 - Direct Energy Regulated Services - Invoice #CNC - 77000-1911013,1890431,1890746,1890613,1911146 Wabasca	2,391.04	
2019-03-18 0:00	291 - Direct Energy Regulated Services - Invoice #CNC - 770001093077, 770001093465, 770001092723 - Wabasca	85.77	
2019-03-25 0:00	292 - Receiver General - Invoice #CNC - 86849 4139 RP0001 - SD for Period of Feb 24 - Mar 9, 2019.	539.29	
2019-03-27 0:00	293 - Direct Energy Regulated Services - Invoice #CNC - 77000-1911013,1890431,1890746,1890613,1911146 Wabasca	1,141.06	
2019-03-29 0:00	295 - Jeff Bose - Invoice #Wages Mar 10 - 23, 2019	1,463.78	
2019-04-05 0:00	297 - Receiver General - Invoice #CNC - 86849 4139 RP0001 - SD for period of March 10-23, 2019	539.29	
2019-04-11 0:00	305 - Jeff Bose - Invoice #Wages Mar 24-Apr 6, 2019	1,463.78	
2019-04-11 0:00	305 - Jeff Bose - Invoice #Wages Mar 24-Apr 6, 2019	105.11	
2019-04-15 0:00	307 - Direct Energy Regulated Services - Invoice #CNC - 770001093077, 770001093465, 770001092723 - Wabasca	86.55	
2019-04-15 0:00	308 - Direct Energy Business - Invoice #CNC - Acct No. 800000011976 - Wabasca	1,223.55	
2019-04-24 0:00	310 - AltaGas Utilities Inc. - Invoice #CNC - Acct No. 1292679-6 Wabasca	2,283.86	
2019-04-24 0:00	311 - Direct Energy Regulated Services - Invoice #CNC - 77000-1911013,1890431,1890746,1890613,1911146 Wabasca	1,056.79	
2019-04-25 0:00	313 - Jeff Bose - Invoice #Wages Apr 7- Apr 20, 2019	1,628.58	
2019-04-25 0:00	313 - Jeff Bose - Invoice #Wages Apr 7- Apr 20, 2019	103.10	
2019-04-29 0:00	315 - Receiver General - Invoice #CNC - 86849 4139 RP0001 - SD for Period of March 24 - April 6, 2019.	649.56	
2019-05-08 0:00	322 - Jeff Bose - Invoice #Wages Apr 21-May 4, 2019	1,664.33	
2019-05-08 0:00	319 - Municipal District of Opportunity No. 17 - Invoice #CNC - 3131765901.03 March, April 2019	81.01	

2019-05-08 0:00	322 - Jeff Bose - Invoice #Wages Apr 21-May 4, 2019	47.52			
2019-05-14 0:00	325 - Receiver General - Invoice #CNC - 86849 4139 RP0001 - SD for Period of April 21-May 4, 2019	673.72			
2019-05-15 0:00	326 - Direct Energy Business - Invoice #CNC - Acct No. 800000011976 - Wabasca	1,050.67			
2019-05-23 0:00	327 - Jeff Bose - Invoice #Wages May 5-18, 2019	974.86			
2019-05-23 0:00	327 - Jeff Bose - Invoice #Wages May 5-18, 2019	78.75			
2019-05-27 0:00	328 - Jim Anderson - Invoice #Camp Watch Wabasca - May 12 - 26, 2019	2,880.00			
2019-05-28 0:00	329 - Mark Shtay - Invoice #CNC - Wabasca Truck Registration Renewal	167.88			
2019-05-29 0:00	330 - Direct Energy Regulated Services - Invoice #CNC - 77000-1911013,1890431,1890746,1890613,1911146 Wabasca	1,133.26			
2019-05-30 0:00	332 - Receiver General - Invoice #CNC - 86849 4139 RP0001 - SD for period of May 5-18, 2019	274.47			
2019-05-30 0:00	333 - AltaGas Utilities Inc. - Invoice #CNC - Acct No. 1292679-6 Wabasca	818.91			
2019-06-13 0:00	338 - Municipal District of Opportunity No. 17 - Invoice #CNC - 3131765901.03 May 2019	40.40			
2019-06-14 0:00	340 - Lodgistx Accommodation & Services Inc. - Invoice #Invoice No. June19-6269 - Reimburse Lodgistx for Telus Invoice - Wabasca	213.11			
2019-06-18 0:00	341 - James Anderson - Invoice #Camp Watch Wabasca - May 27 - June 17, 2019	2,541.10			
2019-06-20 0:00	342 - Telus - Invoice #CNC - 35321551 Wabasca	75.00			
2019-07-04 0:00	345 - Municipal District of Opportunity No. 17 - Invoice #CNC - 3131765901.03 June 2019	40.00			
2019-07-08 0:00	347 - James Anderson - Invoice #Camp Watch Wabasca - June 18 - July 5, 2019	3,758.71			
2019-07-08 0:00	349 - James Anderson - Invoice #Camp Watch Wabasca - Expenses	192.36			
2019-07-08 0:00	350 - AltaGas Utilities Inc. - Invoice #CNC - Acct No. 1292679-6 Wabasca	34.34			
2019-07-22 0:00	353 - Telus - Invoice #CNC - 35321551 Wabasca	75.00			
2019-07-29 0:00	354 - Telus - Invoice #35321551	75.00			
2019-07-30 0:00	356 - AltaGas Utilities Inc. - Invoice #1292679-6	79.08			
2019-08-07 0:00	358 - Bell Canada - Invoice #260297143 (Jim Anderson - Wabasca)	160.45			
2019-08-19 0:00	361 - Municipal District of Opportunity No. 17 - Invoice #CNC - 3131765901.03 July 2019	40.40			
	Move 6 weeks x $1400 = $5600 from August 21, 2019 Payment	5,600.00			
	Move half Direct Energy Invoice Paid Sep 3, 2019	1,366.08	102,144.42	July 31 Cut off	EY sale to Babine Camps
2019-08-21 0:00	363 - James Anderson - Invoice #Camp Watch Wabasca - July 6 - August 16, 2019 - 336 Hours x $25 = $8400 - $300 Saw Purchase = $8100.00	2,500.00	46,913.02	Costs allocated to Northland	
2019-09-03 0:00	367 - Direct Energy Regulated Services - Invoice #CNC - 77000-1911013,1890431,1890746,1890613,1911146 Wabasca	1,366.08			
2019-09-04 0:00	371 - AltaGas Utilities Inc. - Invoice #CNC - Acct No. 1292679-6 Wabasca	73.27			

2019-09-20 0:00	374 - James Anderson - Invoice #Camp Watch Wabasca - Aug 17-Sep 6, 2019 - Wages = $4000
	Expenses =$333.28
		4,333.28			

2019-09-20 0:00	375 - Telus - Invoice #35321551 - Wabasca	75.00			
2019-09-27 0:00	378 - AltaGas Utilities Inc. - Invoice #CNC - Acct No. 1292679-6 Wabasca	68.87			
2019-10-04 0:00	380 - Municipal District of Opportunity No. 17 - Invoice #CNC - 3131765901.03 AUG & SEP 2019	81.01			
2019-10-07 0:00	381 - Direct Energy Business - Invoice #CNC - Acct No. 800000011976 - Wabasca	4,196.50			

2019-10-09 0:00	383 - James Anderson - Invoice #Camp Watch Wabasca - Sep 7 - Sep 27, 2019 - Wages = $4200
	Expenses = $300.34
	Repairs = $210
		4,710.34			

2019-10-16 0:00	385 - Direct Energy Business - Invoice #CNC - Acct No. 800000011976 - Wabasca	569.96			
2019-10-21 0:00	388 - Telus - Invoice #35321551 - Wabasca	80.00			
2019-10-28 0:00	395 - James Anderson - Invoice #Camp Watch Wabasca - Sep 28 - Oct 17, 2019	4,000.00			
2019-11-04 0:00	397 - AltaGas Utilities Inc. - Invoice #CNC - Acct No. 1292679-6 Wabasca	157.35			
2019-11-04 0:00	396 - Bell Canada - Invoice #260297143 (Jim Anderson - Wabasca)	160.19			
2019-11-06 0:00	398 - Municipal District of Opportunity No. 17 - Invoice #CNC - 3131765901.03 October 2019 - Wabasca	40.00			

2019-11-22 0:00	402 - James Anderson - Invoice #Camp Watch Wabasca - Oct 18 - Nov 12, 2019 - Wages = 26 days x 8hr x $25/hr.
	Expenses = $129.84
		5,329.84			

2019-11-22 0:00	403 - Telus - Invoice #35321551 - Wabasca	80.00			
2019-12-02 0:00	405 - AltaGas Utilities Inc. - Invoice #CNC - Acct No. 1292679-6 Wabasca	51.74			
2019-12-04 0:00	407 - James Anderson - Invoice #Camp Watch Wabasca - Nov 17-25, 2019 - 9 days x 8hr x $25/hr = $1800	1,800.00			
2019-12-04 0:00	408 - Municipal District of Opportunity No. 17 - Invoice #CNC - 3131765901.03 October 2019 - Wabasca	100.00			

2019-12-17 0:00	411 - James Anderson - Invoice #Camp Watch Wabasca - Dec 3-8, 2019 - Wages = 6 days x 8hr x $25/hr.
	Expenses = $367.51
		1,567.51			

2020-01-03 0:00	412 - AltaGas Utilities Inc. - Invoice #CNC - Acct No. 1292679-6 Wabasca	1,864.15			

2020-01-06 0:00	415 - Municipal District of Opportunity No. 17 - Invoice #CNC - 3131765901.03 October 2019 - Wabasca	40.00			
2020-01-06 0:00	414 - Telus - Invoice #35321551 - Wabasca	80.00			
2019-11-14 0:00	Direct Energy	841.06	Manual		
2019-12-12 0:00	Direct Energy	1,373.67	Manual		
2020-02-12 0:00	Direct Energy - Dec 5 - Jan 7	2,667.04	Manual		
	Move 7 weeks x $1400 = $9800 from Security Paid Feb 3, 2020.	9,800.00			
	Move half expenses from Security Paid Feb 3, 2020. (2626.63/2 = 1313.315)	1,313.32	49,320.18	Dec 31 Cut off	EY sale to Big Rock
2020-01-20 0:00	418 - Telus - Invoice #35321551 - Wabasca	80.00	24,055.67	Cost allocated to Northland	
2020-02-03 0:00	423 - Louise Anderson - Invoice #CNC - Wabasca Camp Watch Nov 12 - Jan 27, 2019	5,600.00			
2020-02-03 0:00	424 - Louise Anderson - Invoice #CNC - Wabasca Camp Expenses Nov 16 - Jan 18, 2020	1,313.32			
2020-02-03 0:00	420 - 1950502 Alberat Ltd. - Invoice #Invoice No. 939879 - Wabasca Water Line Repair	3,361.05			
2020-02-05 0:00	425 - AltaGas Utilities Inc. - Invoice #CNC - Acct No. 1292679-6 Wabasca	1,765.30			
2020-02-06 0:00	426 - Municipal District of Opportunity No. 17 - Invoice #CNC - 3131765901.03 January 2020 - Wabasca	40.00			
2020-02-19 0:00	431 - Telus - Invoice #35321551 - Wabasca	80.00			
2020-03-03 0:00	432 - AltaGas Utilities Inc. - Invoice #CNC - Acct No. 1292679-6 Wabasca	1,095.82			
2020-03-03 0:00	433 - Direct Energy Regulated Services - Invoice #CNC - 77000-1911013,1890431,1890746,1890613,1911146 Wabasca	5,944.64			
2020-03-03 0:00	434 - Direct Energy Regulated Services - Invoice #CNC - 770001093077, 770001093465, 770001092723 - Wabasca	719.01			
2020-03-04 0:00	JE00814073B - Incorrectly coded to Utilities. Moved to Payroll/Source Deductions. SD for Period of March 24 - April 6, 2019.	539.29			
2020-03-05 0:00	435 - Municipal District of Opportunity No. 17 - Void - Invoice #CNC - 3131765901.03 February 2020 - Wabasca	40.00			
2020-02-12 0:00	Direct Energy - Jan 7 - Feb 5	1,624.06	Manual		
2020-03-13 0:00	Direct Energy	437.81	Manual		
	Move $4200 + $1341.55 Expenses from Security Paid on July 23, 2020	5,541.55	Manual		
			28,181.85	February 2020 Cut Off	Mirterra auction sale closing date
2020-03-20 0:00	437 - Telus - Invoice #35321551 - Wabasca	80.00	18,041.04	Cost allocated to Northland	
2020-04-08 0:00	439 - AltaGas Utilities Inc. - Invoice #CNC - Acct No. 1292679-6 Wabasca	1,074.18			
2020-04-15 0:00	d00817574 - Aon Parizeau Inc. - Invoice #CNC - Invoice No.3500000-229127 Acct No. 3500000-229951	973.00			
2020-04-17 0:00	441 - Municipal District of Opportunity No. 17 - Invoice #CNC - 3131765901.03 March 2020 - Wabasca	40.00			
2020-04-20 0:00	d00821768 - Aon Parizeau Inc. - Invoice #CNC - Invoice No.3500000-229127 Acct No. 3500000-230672	973.00			
2020-04-20 0:00	442 - Telus - Invoice #35321551 - Wabasca	80.00			
2020-05-05 0:00	445 - AltaGas Utilities Inc. - Invoice #CNC - Acct No. 1292679-6 Wabasca	1,217.33			
2020-05-05 0:00	447 - Municipal District of Opportunity No. 17 - Invoice #CNC - 3131765901.03 April 2020 - Wabasca	40.00			
2020-05-31 0:00	435 - Municipal District of Opportunity No. 17 - Reverse - Invoice #CNC - 3131765901.03 February 2020 - Wabasca	-40.00			
2020-06-04 0:00	d00821781 - Aon Parizeau Inc. - Invoice #CNC - Invoice No.3500000-229127 Acct No. 3500000-231062	973.00			
2020-06-09 0:00	453 - Municipal District of Opportunity No. 17 - Invoice #CNC - 3131765901.03 June 2020 - Wabasca	80.00			
2020-07-06 0:00	454 - Mark Shtay - Invoice #REIMBURSE - CNC - Telus 35321551 - Wabasca	172.84			
2020-07-16 0:00	d00826832 - Aon Parizeau Inc. - Invoice #CNC - Invoice No.3500000-229127 Acct No. 3500000-231250	917.00			
2020-07-23 0:00	d00824913 - Louise Anderson - Invoice #CNC - Wabasca Camp Watch Jan 28 - July 13, 2019 - $1400 Wk x 25 Weeks = $35000 Expenses = $4564.60	34,023.05	Manual		
2020-07-29 0:00	460 - Telus - Invoice #35321551 - Wabasca	80.00			
2020-08-12 0:00	461 - Mark Shtay - Invoice #Reimburse C/C payment - 35321551 - Wabasca	80.00			
2020-08-21 0:00	464 - Direct Energy Regulated Services - Invoice #CNC - 770001093077, 770001093465, 770001092723 - Wabasca	338.01			
2020-08-21 0:00	465 - Direct Energy Regulated Services - Invoice #CNC - 77000-1911013,1890431,1890746,1890613,1911146 Wabasca	3,735.54			
2020-09-09 0:00	467 - Telus - Invoice #35321551 - Wabasca	80.00			
2020-09-21 0:00	468 - Telus - Invoice #35321551 - Wabasca	80.00			
13-May-20	Direct Energy	669.48	Manual		
11-Jun-20	Direct Energy	585.76	Manual		
14-Jul-20	Direct Energy	895.56	Manual		
09-Sep-20	467 - Telus - Invoice #35321551 - Wabasca	80.00			
21-Sep-20	468 - Telus - Invoice #35321551 - Wabasca	80.00			
30-Sep-20	d00828356 - Aon Parizeau Inc. - Invoice #CNC - Invoice No.3500000-229127 Acct No. 3500000-233178	917.00			

07-Oct-20	471 - Municipal District of Opportunity No. 17 - Invoice #CNC - 3131765901.03 July - Sep 2020 - Wabasca	163.64		
22-Oct-20	473 - Telus - Invoice #35321551 - Wabasca	80.00		
27-Oct-20	d00830553 - Aon Parizeau Inc. - Invoice #CNC - Invoice No.3500000-229127 Acct No. 3500000-233535	917.00		
23-Nov-20	475 - Telus - Invoice #35321551 - Wabasca	80.00		
03-Dec-20	d00832509 - Aon Parizeau Inc. - Invoice #CNC - Invoice No.3500000-229127 Acct No. 3500000-234424	917.00		
08-Dec-20	478 - Municipal District of Opportunity No. 17 - Invoice #CNC - 3131765901.03 Oct - Nov 2020 - Wabasca	80.60		
06-Jan-21	481 - Telus - Invoice #35321551 - Wabasca	80.00		
26-Jan-21	482 - Municipal District of Opportunity No. 17 - Invoice #CNC - 3131765901.03 Oct - Dec 2020 - Wabasca	40.00		
26-Jan-21	d00837999 - Aon Parizeau Inc. - Invoice #CNC - Invoice No.3500000-229127 Acct No. 3500000-234918, 235553 - Nov and Dec 2020. Conf #09211-21026-199998	1,834.00		
11-Feb-21	484 - Municipal District of Opportunity No. 17 - Invoice #CNC - 3131765901.03 Oct - Jan 2021 - Wabasca	40.00		
11-Feb-21	485 - Telus - Invoice #35321551 - Wabasca	80.00		
	Louise Anderson - Invoice #CNC - Wabasca Camp Watch July 14, 2020 - Feb 15, 2021 - $1400 Wk x 31 Weeks = $43,400+ Expenses = $5,107.18 +	48,507.18	Manual	
	Repairs & Maintenance = $1,626.43	1,626.43	Manual	
	Direct Energy to Dec 2020	6,955.61	Manual	
			109,626.21	Current - all costs to Northland
	Total	226,794.19	198,635.94	Total cost allocated to Northland
			8,421.00	deduct insurance included in total - $3836.00 (all in the last 4 months)
			190,214.94	
			22,077.00	Add insurance as calculated
	Insurance premiums applicable to Northland's buildings at Wabasca		212,291.94	Total amount attributable to Northland Mortgage
	May 2018 to Mar 2020 - $669.00 for 22 months	14,718.00		
	April 2020 to Feb 2021 - $669.00 for 11 months	7,359.00		
		22,077.00		

SCHEDULE B

Matt McCulloch

From:	Darren Bieganek <dbieganek@dcllp.com>
Sent:	February 18, 2021 5:49 PM
To:	Jeremy H. Hockin; Allie Larson; Laura Perram; Steven A. Rohatyn
Cc:	Ryan Quinlan; Matt McCulloch; Karla Sookdeo
Subject:	Canada North - Allocation application and additional inquiries
Attachments:	Photos of Assets sold at Wabasca; FW: Canada North Alberta Availabilities - Marketing Material & Listing Agreements ; Wabasca Asset Sales (002) - 4156-5984-2603 v1.pdf; Bonnyville Listings.pdf; Wabasca Listing.pdf
Sensitivity:	Private

Following up on our video conference of earlier today, enclosed please find the following:

1) Spreadsheet of assets sold off of the Wabasca site. You will note the buyers are listed. We have not provided the contact information as yet. We are waiting confirmation from those parties that we can release that information to you. We apologize but believe we need to get that permission to release the contact information to you;
2) As additional information to further enhance your knowledge of the site situation, we enclose copies of photographs taken at the Wabasca site. Upon discussions with a representative of the Monitor who did attend on site, I am writing to clarify how the removable units were situated. The Monitor confirmed with its Broker, Rod Duhamel of Used Modulars that it is very unusual to screw/bolt down the "box/dorm" to the piles. They are normally secured by their own weight. As the photographs indicate:
   a. Piles, whether screw or otherwise, and wooden blocks were utilized;
   b. Where piles were used, long steel girders were affixed on top of them;
   c. The camp units and dorms were then lowered onto the girders and held on top of those girders by their weight (or as illustrated they simply rested on wood blocks, the same as at Bonnyville);
   d. The utilities were then plugged in; and
   e. When the units were removed, the utilities were unplugged and the units were simply lifted off the girders. Photos showing crane removal and the pile and girder system are also included.
3) We will provide a list of the reports which include interim statements of receipts and disbursements as soon as we can but the reports are all on the Monitor's website and available to your team to review.
4) We enclose listing agreements which the Monitor did enter in late 2018 respecting the listings for each of Wabasca and Bonnyville. The Monitor looked through its material and located these this afternoon. This represents a change in the information imparted earlier to Mr. Lenz. The listing agreements were an extension of the listings entered by the companies prior to the Monitors powers being expanded. A copy of the Monitor's e-mail with the broker confirming that is attached. The brochures which we have are the ones found on the broker website which we understand you already have.

Yours truly,

Darren Bieganek

Darren Bieganek, LLB, QC
Partner, Insolvency, Restructuring and Commercial Litigation

Tel: +1 780.441.4386
Toll-free: 1.800.782.9409
Fax: 780.428.9683

Matt McCulloch

From:	Darren Bieganek <dbieganek@dcllp.com>
Sent:	February 19, 2021 3:29 PM
To:	Hockin, Jeremy (jhockin@parlee.com); Allie Larson; Laura Perram; Steven Rohatyn
Cc:	Ryan Quinlan; Matt McCulloch
Subject:	Canada North - Follow Up to E-mail of February 18, 2021

Jerry,

Following up on my e-mail of late yesterday afternoon with respect to the box units and their degree of affixation to frames, the Monitor was able to touch base with the company that removed those units and has some further information which modifies the information provided yesterday with respect to certain units.

In relation to the photographs, unit 80 I believe, had some lag bolts that were used to secure the unit to the piles.

With respect to the two storey dorm units that are represented in the photograph (one of the two storey items is the stick building which remains onsite and will stay there), the base units (i.e. the first storey) were strapped to the girders but not bolted to the girders. So there was some strapping on those units.

As for the remaining units we understand that they were still simply resting on girders or blocks but to the extent that any additional information becomes available to us, we will provide that to you.

I thought it important to get this information to you as soon as possible to correct the information provided yesterday.

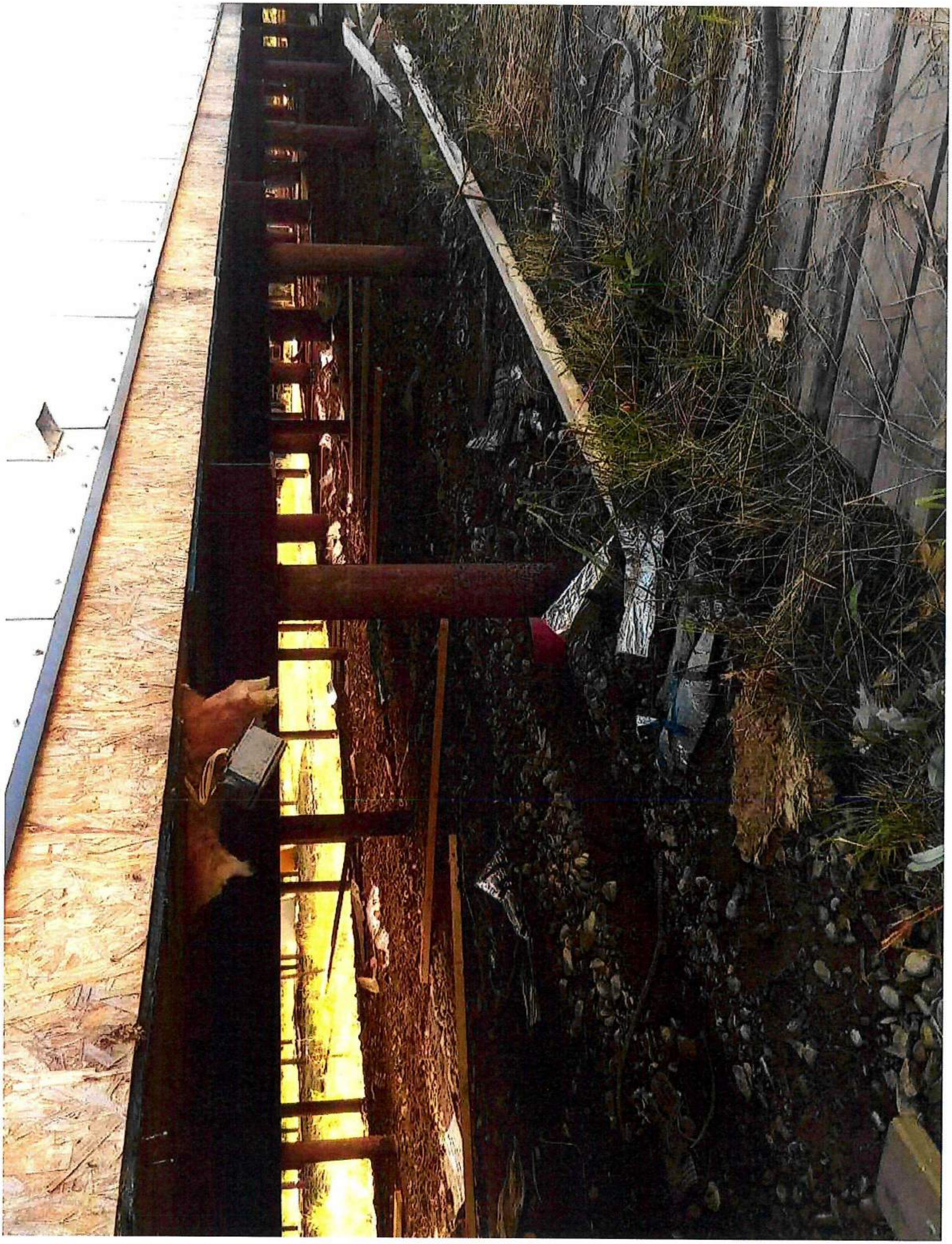
Yours truly,

Darren Bieganek, LLB, QC
Partner, Insolvency, Restructuring and Commercial Litigation
Duncan Craig LLP
2800 Scotia Place, 10060 Jasper Ave
Edmonton, Alberta, T5J 3V9

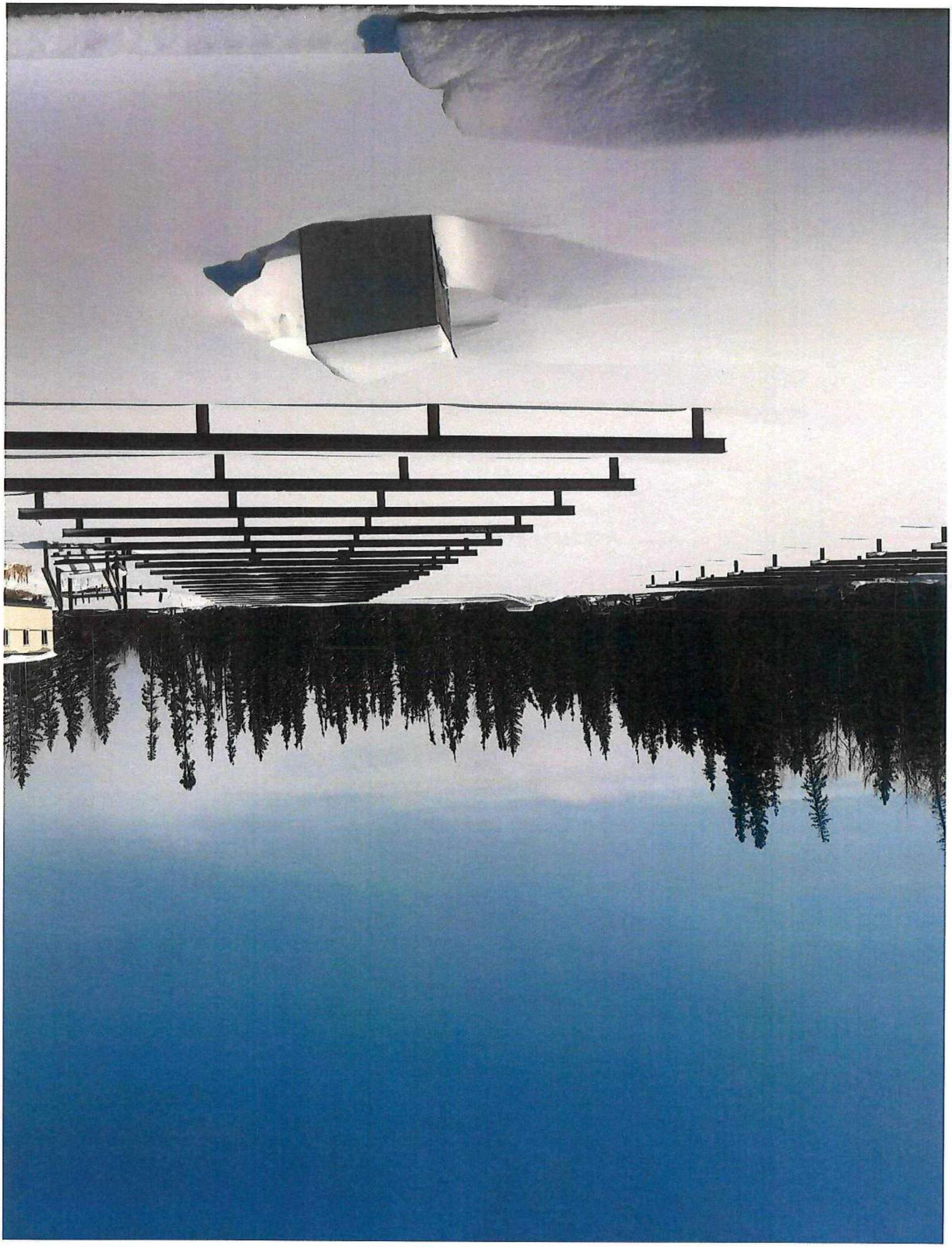
Tel: +1 780.441.4386
Toll-free: 1.800.782.9409
Fax: 780.428.9683
Email: dbieganek@dcllp.com
Web: dcllp.com

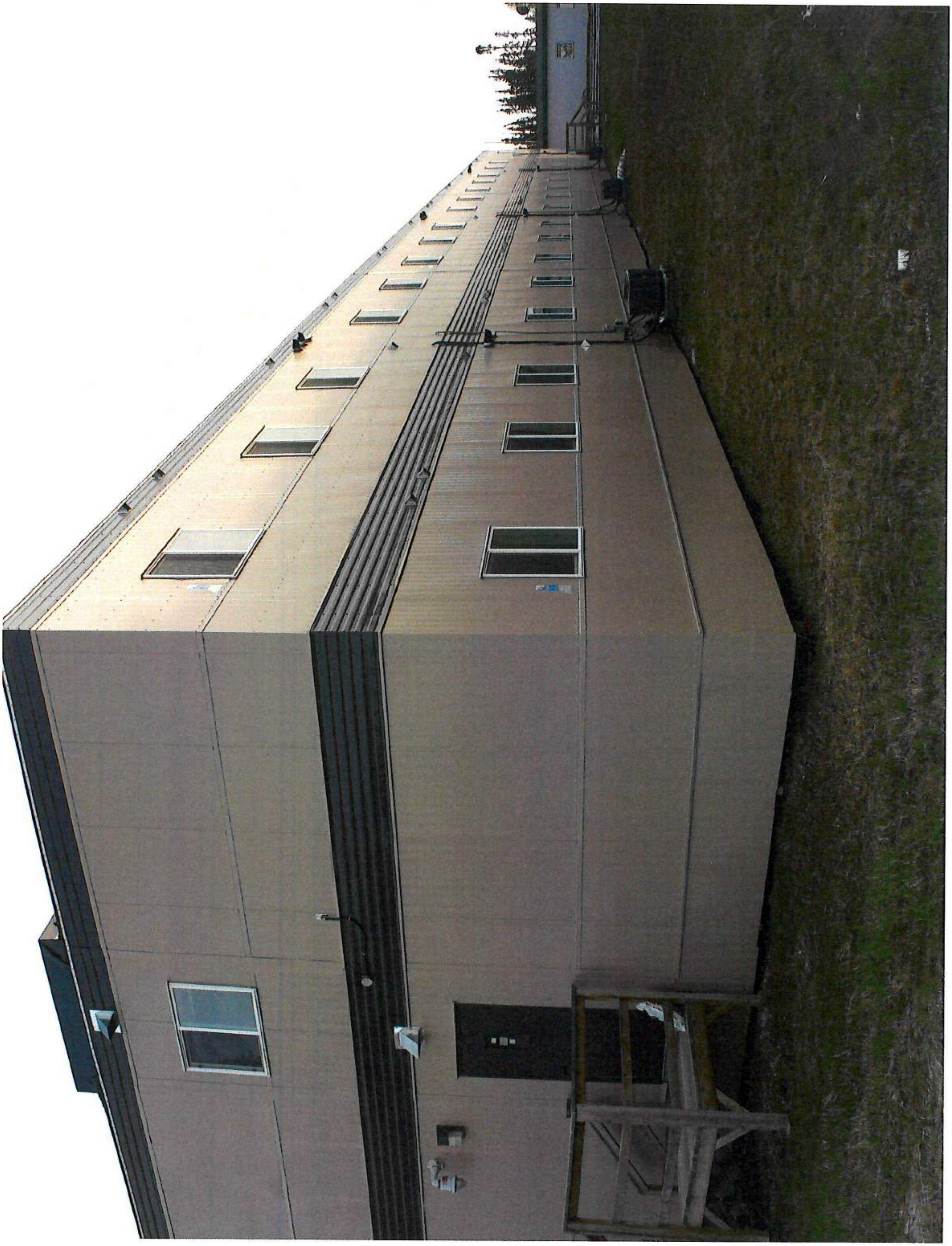
COVID-19 Response Statement

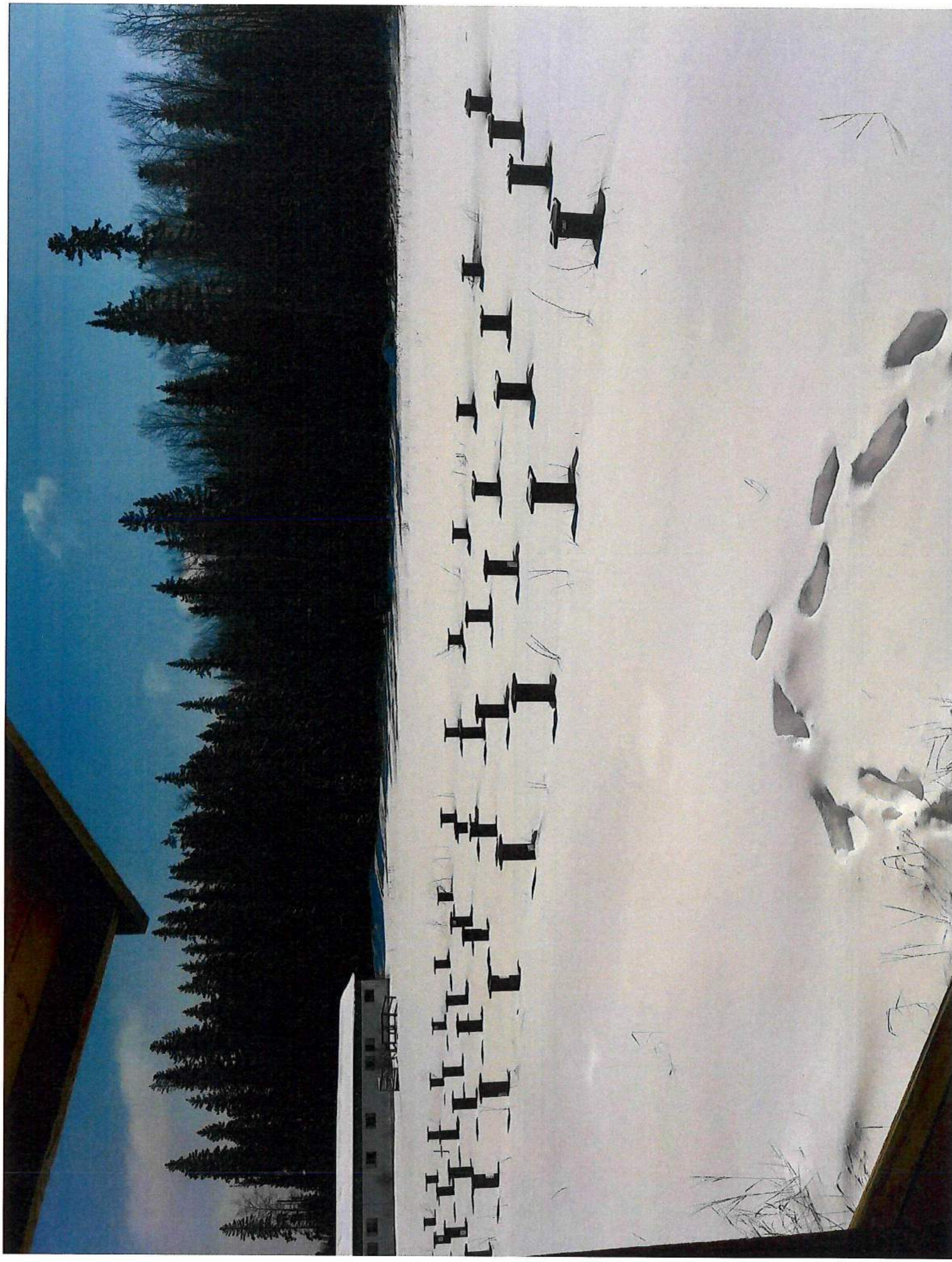
SCHEDULE C




FALCON RENTALS





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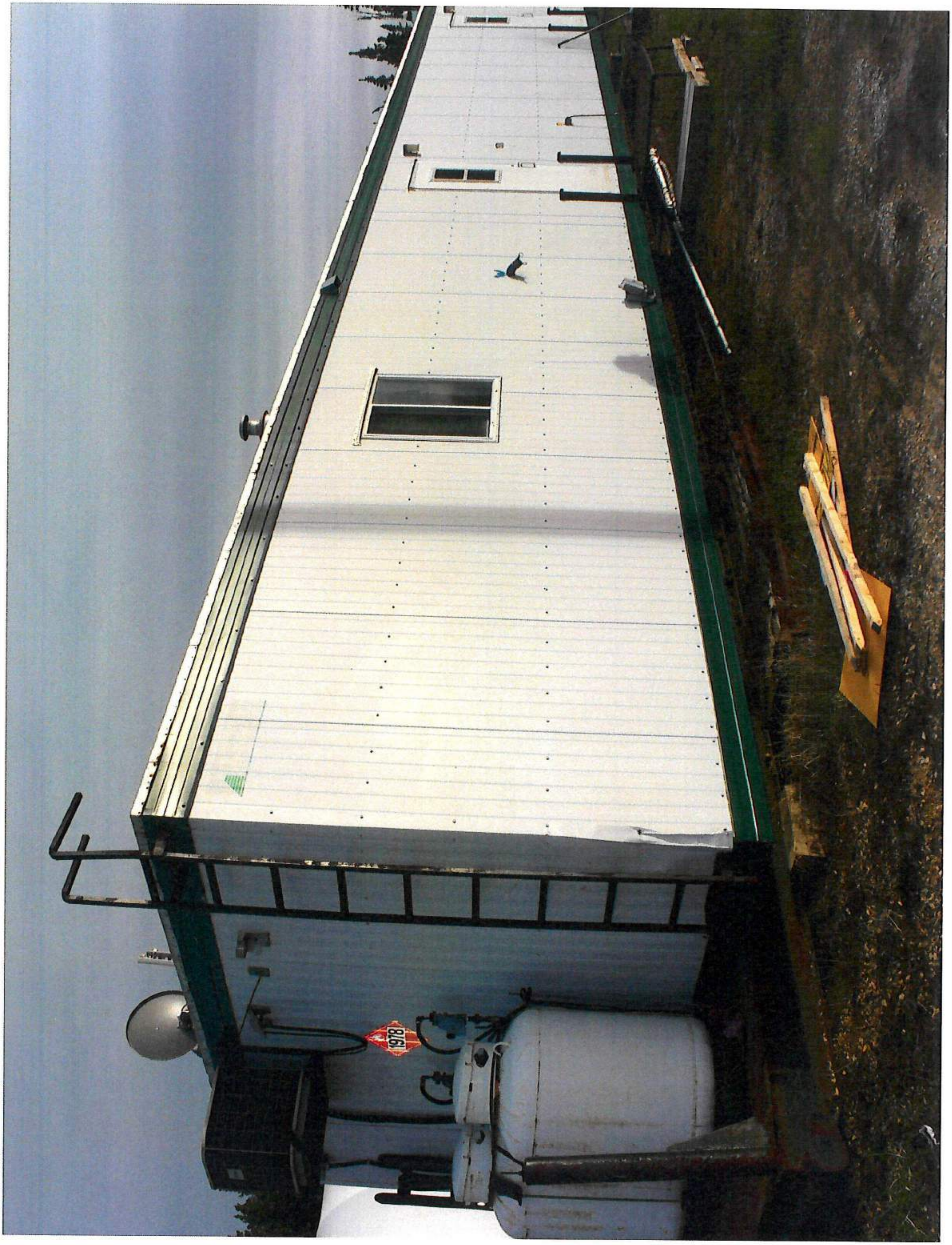

1978


6045c
153
BJB-0965


NORSEMAN

SCHEDULE D

Evan MacKinnon

Subject: FW: Bonnyville Property Tax

Importance: High

From: mark <mark@netfinance.ca>
Sent: Thursday, July 19, 2018 1:47 PM
To: Dan McCulloch <Dan.McCulloch@ca.ey.com>
Cc: Matt McCulloch <Matt.McCulloch@ca.ey.com>
Subject: RE: Bonnyville Property Tax

Dan
If they allocate across all the lots that defeats our whole purpose. If that is what they are planning...we don't want that.
Thanks. Mark

Sent from my Samsung Galaxy smartphone.

-------- Original message --------
From: Dan McCulloch <Dan.McCulloch@ca.ey.com>
Date: 2018-07-19 12:25 PM (GMT-08:00)
To: Mark Eikeland <mark@netfinance.ca>
Cc: Matt McCulloch <Matt.McCulloch@ca.ey.com>
Subject: RE: Bonnyville Property Tax

They will be splitting the assessed improvements by units on each lot. He says that he has to review all of the lots but this does not mean that he will be changing all lot values.

Regards,

Dan McCulloch, CIRP, Licensed Insolvency Trustee | Vice President | Corporate Restructuring & Insolvency

Ernst & Young Inc.

Office: 780 441 4695 | Dan.McCulloch@ca.ey.com

From: Mark Eikeland [mailto:mark@netfinance.ca]
Sent: Thursday, July 19, 2018 11:05 AM
To: Dan McCulloch <Dan.McCulloch@ca.ey.com>

Cc: Matt McCulloch <Matt.McCulloch@ca.ey.com>
Subject: RE: Bonnyville Property Tax

Dan

Please confirm that we are just requesting the split between lot 1 and 2...not all the lots. The large equipment assessment was previously on Lot 1 only and then moved to lot 2...so allocate across both lots only equally. Thanks.
Mark

From: Dan McCulloch [mailto:Dan.McCulloch@ca.ey.com]
Sent: July 19, 2018 9:55 AM
To: Mark Eikeland; Matt McCulloch
Subject: Bonnyville Property Tax

Hi Mark,

I have received confirmation that the assessor is willing to split out the taxes by portion of units on each lot. I do not expect that they will do anything for prior years assessments; however, I have a call in to the assessor to inquire.

Regards,

Dan McCulloch, CIRP, Licensed Insolvency Trustee | Vice President | Corporate Restructuring & Insolvency

Ernst & Young Inc.
10423 - 101 Street, Suite 1400, PO Box 44, Edmonton, Alberta T5H 0E7, Canada
Office: 780 441 4695 | Fax: 780 428 8977 | Dan.McCulloch@ca.ey.com
Website: http://www.ey.com/ca

Evan MacKinnon

Subject: FW: Bonnyville Property Tax

From: Matt McCulloch
Sent: Tuesday, January 21, 2020 2:45 PM
To: Kenneth Lenz (lenzk@bennettjones.ca) <lenzk@bennettjones.ca>
Subject: FW: Bonnyville Property Tax

Hi Ken, FYI – if you want me to look into this further on our end, happy to do so.

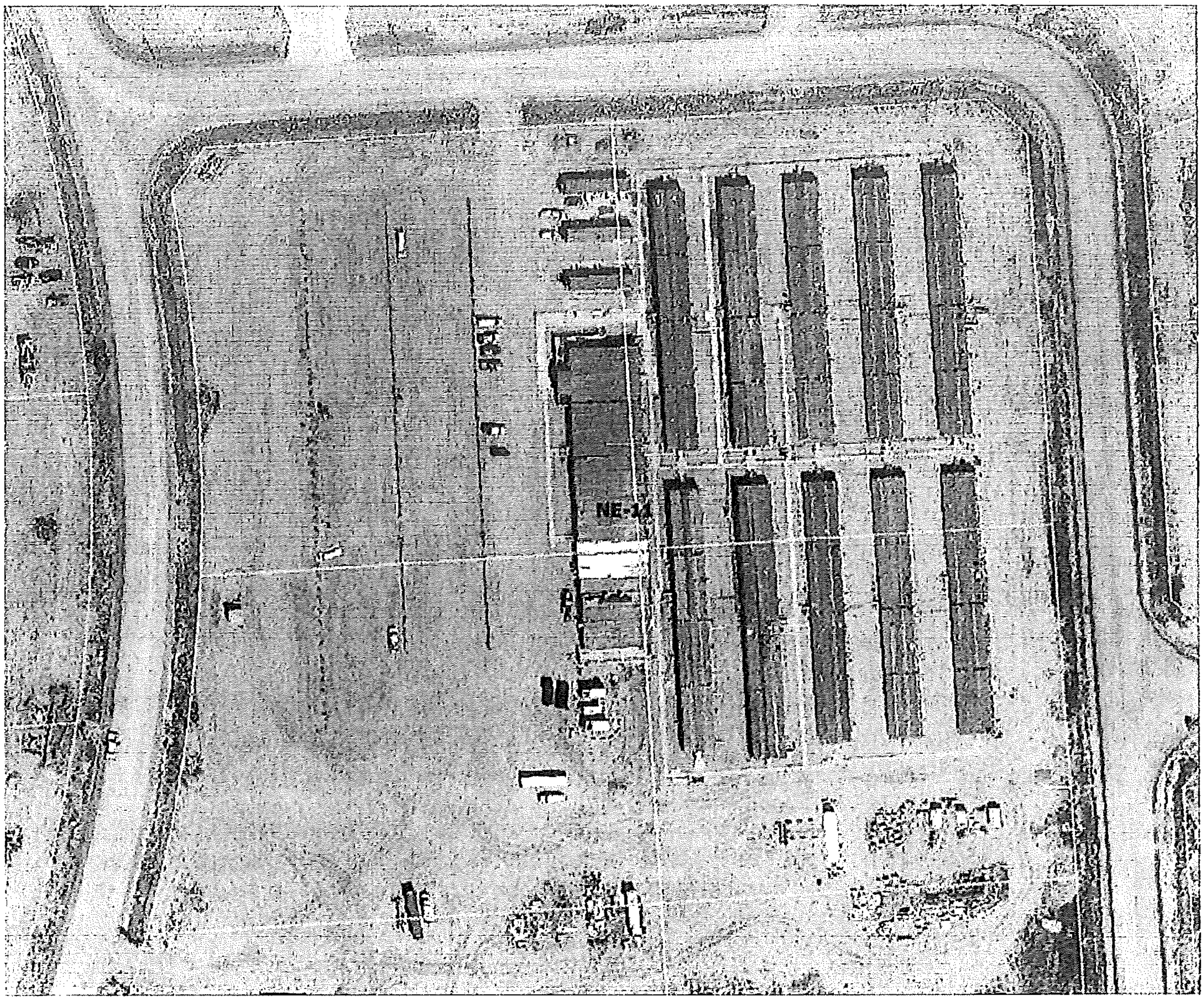
Yours truly,

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 (Edmonton): 780 638 6642 | Fax: 780 428 8977 | matt.mcculloch@ca.ey.com
Direct (Calgary): 403 206 5008
Website: http://www.ey.com
Assistant: Michelle Jameson | Phone: 780 441 4693 | michelle.jameson@ca.ey.com
Paraprofessional: Trina Sorbara | Phone 780 412 2393 | trina.m.sorbara@ca.ey.com
* Services provided through Matthew McCulloch Professional Corporation.

From: Dan McCulloch
Sent: Thursday, July 19, 2018 2:30 PM
To: mark <mark@netfinance.ca>
Cc: Matt McCulloch <Matt.McCulloch@ca.ey.com>
Subject: RE: Bonnyville Property Tax

Mark,

We requested the property to be split over lots 1 and 2 and were advised that the split would require a review of the improvements and the locations of same. If the assets cross property lines involving more than the 2 lots of concern, then I assume the split will include those lots as well. Below is an aerial photograph of the site, provided by the County assessor. The photograph shows the improvements spread over 4 lots, with the majority on 2 lots. The assessor has recently been to the site and is aware of what is located there, so if there are assets in the photograph, no longer onsite, he will take that into account. This request to split the assessed value was made on your behalf, I do not think we will be able to choose the old values in the event that the assessment is not favourable.



Regards,

Dan McCulloch, CIRP, Licensed Insolvency Trustee | Vice President | Corporate Restructuring & Insolvency

Ernst & Young Inc.
Office: 780 441 4695 | Dan.McCulloch@ca.ey.com

Ryan Quinlan

From: Matt McCulloch <Matt.McCulloch@ca.ey.com>
Sent: July-12-18 5:08 PM
To: Mark Eikeland; Dan McCulloch
Cc: Mark Shtay; Ryan Quinlan
Subject: RE: Canada North Camps property tax
Attachments: FW: Bonnyville Lot; FW: Canada North Camps property tax

Importance: High

Mark – see responses in RED below:

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: Sonjá Clarke | Phone: 780 441 4671| sonja.clarke@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, July 12, 2018 3:59 PM
To: Dan McCulloch <Dan.McCulloch@ca.ey.com>; Matt McCulloch <Matt.McCulloch@ca.ey.com>
Subject: RE: Canada North Camps property tax
Importance: High

Matt

We have hired a person to go on site in Bonnyville, take pictures and report back to us on its state, we have been told today that:

1. There is a maintenance person on site now dismantling all the dorms; kitchens, bathroom and beds – the only "dismantling" that should be occurring at this time should be in relation to the Aurora dorms – I will ask Mark/Dan of my office to investigate if any other dismantling is occurring without our knowledge. Mark – please call Komplete tomorrow and ask if they are aware of anyone else on site doing any dismantling. If possible, Dan maybe get the security fellow out to take a look and report back.
2. The maintenance person says that he is dismantling the dorms so they can be ready to be moved See above
3. He has been told that they will all be moved shortly? What does that mean? No idea - the lawyers are looking into the issues as discussed.
4. There are 2 companies that will be moving the dorms ? I am not sure what you mean? Sand Tiger has not been permitted to move anything, as discussed.

5. Sandtiger will be moving about 100 beds Not until we come to an agreement, or they get a court order
6. The kitchens likely do not belong to sandtiger and ownership is unknown

Questions/actions:

1. Are you aware of the dorms being dismantled? And moved? See above
2. Under whose direction are the dorms being dismantled? See above
3. Who owns the remaining dorms and what companies will be moving them? We are told CNC, however this continues to be under investigation TBD
4. If the dorms are moved there will be no leverage left to resolve the property tax debt. I am aware of this – lawyer have been engaged on all sides.
5. We have until July 15 (July 23, not 15 from what we understand) to file a property tax appeal for this year, on the basis that the dorms will be dismantled from the city services this year. The County has advised that if the dorms are disconnected and ready for transport before the end of 2018, that they will adjust the 2018 assessment – the dismantling of the dorms at this stage will not impact the current o/s assessment for 2017, only for 2018. See the email attached in this regard from the County that I understand Dan has already sent to you – attached here for your ease of reference. He does not say that we need to appeal by the 23rd to have the 2018 adjustment occur if the units are disconnected.
6. Who is going to be responsible for the site cleanup? If the Monitor (on behalf of the Applicants) incurs costs to clean up the property, they will come out of the sale proceeds.

Dan has asked Bob at the county to consider reallocating the values for the camps between the Lots (copy of that email is also attached). If you want the Monitor to file the appeal and proceed down that road, you will need to confirm that all costs in relation to such actions will be borne by Northland/ the sale proceeds of these lands. While I understand that this is a concern for you (rightfully so), we cannot justify continuing to spend a tremendous amount of professional time and fees in relation to this issue (for 2018 the tax assessment is approx. $59,000) without confirmation that such efforts will be a direct cost borne by the sale proceeds of these lands. We have asked the county to reallocate and consider the circumstances, we have informed parties with assets on site not to remove any such assets, we've instructed our legal counsel to assist us in this regard, and there is not much more I think we can do at this point.

I am around tomorrow for a call if you want to connect.

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: July 11, 2018 10:38 AM
To: 'Dan McCulloch'; 'Matt McCulloch'
Subject: RE: Canada North Camps property tax

Dan

I think it would fair to request that instead of loading up taxes on Lot 2, that it be split between Lot 1 and Lot 2. A Proper allocation for 2017/2018. That is where 98% of the equipment is.

Also, they are charging 15% on tax arrears and 12% as late penalties. On property taxes prior to 2018 there are penalties of about 27%!!
https://town.bonnyville.ab.ca/index.php/services-departments/administration-finance/tax-assessment-roll-servies

Does the CCAA period not prevent these kind of punitive charges?? This is criminal!

Is there a current picture available on the site? How does the current site compare to this google picture? ie. numbers of dorms . I know Reliant moved off dorms before the monitor was up there to take pictures May 3 and put a watchman on duty. Also, there was a sale for $1 million where dorms were removed. This should impact 2018 property taxes!

Thanks.

Mark

From: Dan McCulloch [mailto:Dan.McCulloch@ca.ey.com]
Sent: July 10, 2018 1:15 PM
To: Matt McCulloch; Mark Eikeland
Subject: FW: Canada North Camps property tax

Mark,

Please see the below from the County. Not sure how to proceed from here. Let me know your thoughts.

Regards,

Dan McCulloch, CIRP, Licensed Insolvency Trustee | Vice President | Corporate Restructuring & Insolvency

Ernst & Young Inc.
Office: 780 441 4695 | Dan.McCulloch@ca.ey.com

From: Bob Daudelin [mailto:bob@aag-gis.com]
Sent: Tuesday, July 10, 2018 11:02 AM
To: Dan McCulloch <Dan.McCulloch@ca.ey.com>
Subject: RE: Canada North Camps property tax

Hi Dan,

Originally, in December 2014, the entire camp was assessed to lot #1 (roll 461400) as per how the original permit documented. In 2016, it was found that the vast majority of the camp actually resides on lot 2 (roll 461900) with some of it spilling on to lots 1, 3, and 6. Therefore the actual camp assessment was moved from lot 1 to lot 2 for the 2016 Assessment.

I have attached an ortho photo for your reference.

I trust this clarifies.

Bob Daudelin, AMAA
Assessment Specialist
Accurate Assessment Group Ltd.

Main: 1.780.848.7579 Mobile: 1.780.514.8783
E-mail: bob@aag-gis.com Website: www.aag-gis.com

From: Dan McCulloch [mailto:Dan.McCulloch@ca.ey.com]
Sent: July 9, 2018 3:56 PM
To: Bob Daudelin <bob@aag-gis.com>
Cc: Matt McCulloch <Matt.McCulloch@ca.ey.com>
Subject: Canada North Camps property tax

Hi Bob,

We have recently had some discussions with the mortgagee on the lands in the Gateway Industrial park. He is concerned as to the changes in values and wants an explanation. I have attached a summary of the property values and applicable taxes to this email.

The main concern is the values noted for lots 1 and 2. As you will note, in 2015, Lot 1 had a value of $8.5MM, but this amount has been reduced to $323k for 2017. Similarly, Lot 2 was valued at $387k in 2015 and now is valued at $4.1MM. Can you please help me understand this? I think the property taxes should be reviewed to ensure that the assessed values are corrected allocated for the lots.

I understand that I do not have substantial time to file an appeal (July 23/18), so if you could get back me soon that would be great.

Regards,

Ryan Quinlan

From:	Dan McCulloch <Dan.McCulloch@ca.ey.com>
Sent:	July-12-18 4:46 PM
To:	Matt McCulloch
Subject:	FW: Bonnyville Lot

Regards,

Dan McCulloch, CIRP, Licensed Insolvency Trustee | Vice President | Corporate Restructuring & Insolvency

Ernst & Young Inc.
Office: 780 441 4695 | Dan.McCulloch@ca.ey.com

From: Bob Daudelin [mailto:bob@aag-gis.com]
Sent: Wednesday, June 20, 2018 2:21 PM
To: Dan McCulloch <Dan.McCulloch@ca.ey.com>
Subject: RE: Bonnyville Lot

Hi Dan,

The below points are true. There are 104 units on site and happened to drive by them today and notice that they are still fully plumbed in and all connected still.

Dismantle them and prep them for transport in 2018 and I will remove them for the coming 2018 Assessment Year.

Regards,

Bob Daudelin
Assessment Specialist
Accurate Assessment Group Ltd.

Main: 1.780.848.7579	Mobile: 1.780.514.8783
E-mail: bob@aag-gis.com	Website: www.aag-gis.com

From: Dan McCulloch [mailto:Dan.McCulloch@ca.ey.com]
Sent: June 14, 2018 10:35 AM
To: Bob Daudelin <bob@aag-gis.com>
Cc: Matt McCulloch <Matt.McCulloch@ca.ey.com>
Subject: Bonnyville Lot

Hi Bob,

Further to our call. Can you please confirm by return email the following for Lot 2, tax roll 000 00461900:

- Changes to assessed value would only occur if the dorms were fully disconnected from utilities, blocked and essentially ready for transport; and,

- Potential assessed value would only be for 2018 forward and only if the decommissioning of the dorms was completed prior to the end of 2018 and that there would be no change to the taxes owed for preceding years.

I am expecting some push back from the mortgagee on the valuation of this lot. He is pushing us to appeal the assessment, which I do not think is something we want to move forward with given our conversation.

Thanks in advance Bob.

Regards,

Dan McCulloch, CIRP, Licensed Insolvency Trustee | Vice President | Corporate Restructuring & Insolvency

Ernst & Young Inc.
10423 - 101 Street, Suite 1400, PO Box 44, Edmonton, Alberta T5H 0E7, Canada
Office: 780 441 4695 | Fax: 780 428 8977 | Dan.McCulloch@ca.ey.com
Website: http://www.ey.com/ca

Ryan Quinlan

From:	Dan McCulloch <Dan.McCulloch@ca.ey.com>
Sent:	July-12-18 4:56 PM
To:	Matt McCulloch
Subject:	FW: Canada North Camps property tax

Regards,

Dan McCulloch, CIRP, Licensed Insolvency Trustee | Vice President | Corporate Restructuring & Insolvency

Ernst & Young Inc.
Office: 780 441 4695 | Dan.McCulloch@ca.ey.com

From: Dan McCulloch
Sent: Thursday, July 12, 2018 1:24 PM
To: 'bob@aag-gis.com' <bob@aag-gis.com>
Cc: Matt McCulloch <Matt.McCulloch@ca.ey.com>
Subject: FW: Canada North Camps property tax

Hi Bob,

Please see the below email from the mortgagee. Is it possible to split the values noted below? There has been a number of units removed from the site, with more units being de-mobilized currently. Are you able to revisit the valuation?

Regards,

Dan McCulloch, CIRP, Licensed Insolvency Trustee | Vice President | Corporate Restructuring & Insolvency

Ernst & Young Inc.
Office: 780 441 4695 | Dan.McCulloch@ca.ey.com

From: Mark Eikeland [mailto:mark@netfinance.ca]
Sent: Wednesday, July 11, 2018 11:38 AM
To: Dan McCulloch <Dan.McCulloch@ca.ey.com>; Matt McCulloch <Matt.McCulloch@ca.ey.com>
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Thanks.

Mark

From: Dan McCulloch [mailto:Dan.McCulloch@ca.ey.com]
Sent: July 10, 2018 1:15 PM
To: Matt McCulloch; Mark Eikeland
Subject: FW: Canada North Camps property tax

Mark,

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Regards,

Dan McCulloch, CIRP, Licensed Insolvency Trustee | Vice President | Corporate Restructuring & Insolvency

Ernst & Young Inc.
Office: 780 441 4695 | Dan.McCulloch@ca.ey.com

From: Bob Daudelin [mailto:bob@aag-gis.com]
Sent: Tuesday, July 10, 2018 11:02 AM
To: Dan McCulloch <Dan.McCulloch@ca.ey.com>
Subject: RE: Canada North Camps property tax

Hi Dan,

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I have attached an ortho photo for your reference.

I trust this clarifies.

Bob Daudelin, AMAA
Assessment Specialist
Accurate Assessment Group Ltd.

Main: 1.780.848.7579 Mobile: 1.780.514.8783
E-mail: bob@aag-gis.com Website: www.aag-gis.com

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Sent: July 9, 2018 3:56 PM
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Subject: Canada North Camps property tax

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The main concern is the values noted for lots 1 and 2. As you will note, in 2015, Lot 1 had a value of $8.5MM, but this amount has been reduced to $323k for 2017. Similarly, Lot 2 was valued at $387k in 2015 and now is valued at $4.1MM. Can you please help me understand this? I think the property taxes should be reviewed to ensure that the assessed values are corrected allocated for the lots.

I understand that I do not have substantial time to file an appeal (July 23/18), so if you could get back me soon that would be great.

Regards,

Ryan Quinlan

From: Dan McCulloch <Dan.McCulloch@ca.ey.com>
Sent: June-26-18 4:51 PM
To: Mark Eikeland
Cc: Matt McCulloch; Ryan Quinlan
Subject: RE: Bonnyville Property Taxes
Attachments: RE: Bonnyville Lot

Hi Mark,

Please see the attached email from the tax assessor, confirming my email below.

Regards,

Dan McCulloch, CIRP, Licensed Insolvency Trustee | Vice President | Corporate Restructuring & Insolvency

Ernst & Young Inc.
Office: 780 441 4695 | Dan.McCulloch@ca.ey.com

From: Dan McCulloch
Sent: June-15-18 1:50 PM
To: 'Mark Eikeland' <mark@netfinance.ca>
Cc: Matt McCulloch <Matt.McCulloch@ca.ey.com>; 'Ryan Quinlan' <rquinlan@dcllp.com>
Subject: Bonnyville Property Taxes

Good Afternoon Mark,

We have spoken to the Town assessor and have been advised of the following:

- Changes to assessed value could only occur if the dorms were fully disconnected from utilities, blocked and essentially ready for transport;
- Potential assessed value would only be for 2018 forward and only if the decommissioning of the dorms was completed prior to the end of 2018; and,
- That there would be no change to the taxes owed for preceding years, in the event of a successful appeal.

The Town has indicated that as the dorms are connected to services and essentially in a turnkey state, they would not be willing to change their valuation. It would be a significant cost to undertake the decommission, craning and blocking of the dorms, a cost which we anticipate would negate benefits of an appeal to the assessment.

Based on what we were advised, we do not believe an appeal would be justified as it is extremely unlikely to result in a reduction and would result in professional fees of the Monitor and its Counsel. The Monitor is not willing to incur these costs with the low likelihood of success of the appeal; however, if you wish the Monitor to appeal the assessment, we will require an indemnity from Northland to cover all related fees and costs. Please advise if this is a course that you would like to pursue.

Regards,

Dan McCulloch, CIRP, Licensed Insolvency Trustee | Vice President | Corporate Restructuring & Insolvency

Ernst & Young Inc.
10423 - 101 Street, Suite 1400, PO Box 44, Edmonton, Alberta T5H 0E7, Canada
Office: 780 441 4695 | Fax: 780 428 8977 | Dan.McCulloch@ca.ey.com
Website: http://www.ey.com/ca

Ryan Quinlan

From: Bob Daudelin <bob@aag-gis.com>
Sent: June-20-18 2:21 PM
To: Dan McCulloch
Subject: RE: Bonnyville Lot

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Regards,

Bob Daudelin
Assessment Specialist
Accurate Assessment Group Ltd.

Main: 1.780.848.7579 Mobile: 1.780.514.8783
E-mail: bob@aag-gis.com Website: www.aag-gis.com

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Sent: June 14, 2018 10:35 AM
To: Bob Daudelin <bob@aag-gis.com>
Cc: Matt McCulloch <Matt.McCulloch@ca.ey.com>
Subject: Bonnyville Lot

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I am expecting some push back from the mortgagee on the valuation of this lot. He is pushing us to appeal the assessment, which I do not think is something we want to move forward with given our conversation.

Thanks in advance Bob.

Regards,

SCHEDULE E

Evan MacKinnon

Subject: Canada North Alberta Availabilities - Marketing Material & Listing Agreements

From: Chad Edwards <chad.edwards@cwedm.com>
Sent: Monday, September 10, 2018 2:07 PM
To: Matt McCulloch <Matt.McCulloch@ca.ey.com>
Cc: Nicole Pozer <nicole.pozer@cwedm.com>
Subject: RE: Canada North Alberta Availabilities - Marketing Material & Listing Agreements

Hi Matt,

Sorry for the delay with this analysis. I wanted to do as thorough a search as possible on the Wabasca area after you asked us to include the neighboring property in the marketing. There is not a lot available and there has not been a lot of movement despite this being in one of the stronger markets up north. We are working through getting the site listed with a partnering brokerage, the delay has been with their broker. They have become a bit more strict in recent years with co-listings so there are some additional paperwork requirements that we had to look into. Following our discussion on your goal to sell all sites within a 6 month time period I also completed an additional analysis on the each sites individual pricing. Please review and let me know if these changes will be acceptable.

Regards,

Chad Edwards, B.Comm.
Associate
Industrial Sales and Leasing

Direct: +1 780 702 8072
Mobile: +1 780 945 7767
Fax: +1 780 424 9780
chad.edwards@cwedm.com

Cushman & Wakefield Edmonton
10088 – 102 Avenue, Suite 2700
Edmonton, AB T5J 2Z1 | CANADA

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From: Chad Edwards
Sent: August-28-18 2:33 PM
To: Matt McCulloch <Matt.McCulloch@ca.ey.com>
Subject: Re: Canada North Alberta Availabilities - Marketing Material & Listing Agreements

Let's say tomorrow morning at 10:00am. Call my cell 780.945.7767

Sent from Nine

From: Matt McCulloch <Matt.McCulloch@ca.ey.com>
Sent: Tuesday, August 28, 2018 12:44 PM

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www.cwedm.com

September 10, 2018

Matt McCulloch
Ernst & Young Inc.
10423 - 101 Street, Suite 1400
Edmonton, AB T5H 0E7

Dear Matt:

RE: Summary of Listings and Recommendations – Canada North Camps & Ernst & Young Inc.

As per your requests please find below a summary of Properties that Cushman & Wakefield Edmonton has listed on behalf of Canada North Camps & Earnst & Young:

- 1251 Industrial Drive, Wabasca AB (6.92 acres) – Listing Price: $660,000 (95,375.72 per acre);
- North Bonnyville Lands – 4/6/106/110 - 45521 Highway 660 Municipal District of Bonnyville No. 87, AB (22.79 acres) – Listing Price: $1,253,459 ($55,000 per acre);
- West Bonnyville Lands, 4403/4407/4503 - 70 Street & 4402/4406/4506 - 68 Street, Bonnyville, Alberta (17.55 acres) – Listing Price: $2,754,000 ($284,900.28 per acre); and
- Wandering River - NE-35-71-17-W4 Athabasca County, AB (158.95 acres) – Listing Price: $5,000,000 ($31,456.43 per acre).

In addition to our direct marketing campaign where we speak directly to potential Owner/Users we are in the process of setting up the listings on the MLS in each individual market; the paperwork finalizing this listing is currently being reviewed by my broker and the broker for the REALTOR posting it. As it was recently communicated to the listing team that it is the goal of Ernst and Young to sell all sites within a 6 month time period, it is our recommendation that a slightly more aggressive pricing strategy is used. We recommend the following adjustments:

- 1251 Industrial Drive, Wabasca AB (11.99 acres) – Listing Price: $2,400,000 ($200,166.81 per acre) – **Increase** price due to the addition of the neighboring property and better quality land;
- North Bonnyville Lands – 4/6/106/110 - 45521 Highway 660 Municipal District of Bonnyville No. 87, AB (22.79 acres) – Listing Price: $1,025,550.00 ($45,000 per acre) – **decrease** price due to lack of activity;
- West Bonnyville Lands, 4403/4407/4503 - 70 Street & 4402/4406/4506 - 68 Street, Bonnyville, Alberta (17.55 acres) – Listing Price: $2,616,300 ($145,430.79 per acre) - **decrease** price due to lack of activity; and
- Wandering River - NE-35-71-17-W4 Athabasca County, AB (158.95 acres) – Listing Price: $5,000,000 ($31,456.43 per acre) – keep price the same.

We will maximize the visibility and desirability of these properties across all markets by taking these additional steps. We would also like to install new signage at the properties listed above. As this is a large upfront investment we are asking for a 6 month extension on the term of these listings so we have a fair opportunity to recover this investment by Cushman & Wakefield Edmonton.

Evan MacKinnon

Subject: Canada North Alberta Availabilities - Marketing Material & Listing Agreements

From: Chad Edwards <chad.edwards@cwedm.com>
Sent: Tuesday, October 2, 2018 2:28 PM
To: Matt McCulloch <Matt.McCulloch@ca.ey.com>
Cc: YEG Industrial <YEGIndustrial@cwedm.com>
Subject: RE: Canada North Alberta Availabilities - Marketing Material & Listing Agreements

Hi Matt,

Further to our conversation today on the former Canada North properties, our office will go ahead and change the Listing Prices of all four properties in accordance with the letter that I previously provided you with exception to Wandering River which will be advertised as a Market asking price. We will make it clear on all marketing material that all four properties are foreclosure sales with a motivated vendor open to all reasonable Offers.

I have already began coordinating with Used Modulars and will be meeting with Rod this coming Thursday to discuss our marketing efforts in more detail.

Let me know if you have any further questions or comments.

Regards,

Chad Edwards, B.Comm.
Associate
Industrial Sales and Leasing

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Mobile: +1 780 945 7767
Fax: +1 780 424 9780
chad.edwards@cwedm.com

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From: Chad Edwards
Sent: September-17-18 9:22 PM
To: Matt McCulloch <Matt.McCulloch@ca.ey.com>
Cc: Nicole Pozer <nicole.pozer@cwedm.com>
Subject: Re: Canada North Alberta Availabilities - Marketing Material & Listing Agreements

Hi Matt,

Yes I am free to discuss anytime tomorrow. I will try you at 9:00am but feel free to call me whenever.

Evan MacKinnon

Subject: FW: Signage at Various CNC Properties

From: Chad Edwards <chad.edwards@cwedm.com>
Sent: Tuesday, November 27, 2018 12:12 PM
To: Matt McCulloch <Matt.McCulloch@ca.ey.com>
Cc: Nicole Pozer <nicole.pozer@cwedm.com>
Subject: Re: Signage at Various CNC Properties

Hey matt,

Yes I can update you and I'll have nicole put together update agreements/get the signage installed.

I have been working through my list of purchasers, calling potential buyers. I am just about finished the list of 220 prospects and have follow up calls to make on the warm prospects. There have been no groups that have said they are interested in buying immediately but a handful that said they would take a closer look and let me know. I will follow up with these groups. Most of this activity has been for grand prairie. No activity so far on Athabaska or Wabasca.

Regards,

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From: Matt McCulloch <Matt.McCulloch@ca.ey.com>
Sent: Tuesday, November 27, 2018 10:35 AM
To: Chad Edwards
Subject: RE: Signage at Various CNC Properties

Hi Chad – I would extend the listing for 3 months – no concerns there. Since we are chatting, can you give me an update on things? I expect the creditors will be asking me any day now.

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: Kaluba Swaya | Phone: 780 423 5811 | kaluba.swaya@ca.ey.com
Paraprofessional: Trina Sorbara | Phone 780 412 2393 | trina.m.sorbara@ca.ey.com
* Services provided through Matthew McCulloch Professional Corporation.

From: Chad Edwards [mailto:chad.edwards@cwedm.com]
Sent: Monday, November 26, 2018 3:46 PM
To: Matt McCulloch <Matt.McCulloch@ca.ey.com>
Subject: RE: Signage at Various CNC Properties

Hi Matt,

From what I have gathered Boneyville has signage and Wandering River/Wabasca do not. In order to have my brokerage replace these signs they will require me to have an updated listing agreement that has at least 3 months of term to counter the cost. Are you able to extend the listing?

Regards,

Chad Edwards, B.Comm.
Associate
Industrial Sales and Leasing

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chad.edwards@cwedm.com

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From: Chad Edwards
Sent: November-20-18 9:15 PM
To: Matt McCulloch <Matt.McCulloch@ca.ey.com>
Cc: Nicholas Farnden <Nicholas.Farnden@cwedm.com>; Nicole Pozer <nicole.pozer@cwedm.com>
Subject: Re: Signage at Various CNC Properties

Hi Matt,

I'll have our signage company look into this, as they are out of town properties they can be damaged, knocked down or removed without either ofnus being aware.

I have asked Nicholas Farnden to look into the MLS status with the other broker who is organizing the input.

Should have an update on both by end of day tomorrow.

Regards,

From: Matt McCulloch <Matt.McCulloch@ca.ey.com>
Sent: Tuesday, November 20, 2018 4:09 PM
To: Chad Edwards
Subject: Signage at Various CNC Properties

Hi Chad – I was just advised that there are no "For Sale" signs at the properties – am I wrong? If not, can you advise if you are intending to put some signs? And if not, why? Thanks in advance. Also, did the properties get listed on MLS? I haven't had the time to check.....

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: Kaluba Swaya | Phone: 780 423 5811 | kaluba.swaya@ca.ey.com
Paraprofessional: Trina Sorbara | Phone 780 412 2393 | trina.m.sorbara@ca.ey.com
* Services provided through Matthew McCulloch Professional Corporation.

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Evan MacKinnon

Subject: FW: Signage at Various CNC Properties

From: Chad Edwards <chad.edwards@cwedm.com>
Sent: Tuesday, April 2, 2019 2:07 PM
To: Matt McCulloch <Matt.McCulloch@ca.ey.com>
Cc: Nicole Pozer <nicole.pozer@cwedm.com>; Nicholas Farnden <Nicholas.Farnden@cwedm.com>
Subject: Re: Signage at Various CNC Properties

Hi Matt,

No activity to report in those markets or on the properties. We have found most industrial users have been reluctant to move forward with any kind of land purchase for a longer term facility in these markets and there is no demand for laydown/storage yard at this time. It sounds like most users are waiting to see what happens with the election at a minimum.

I do not precieve this as an issue that even a significant price reduction would help. As this is more of a demand issue than losing to other competitive properties.

I am in Vancouver this week for the real estate forum but if you have time in the next couple of weeks perhaps we could meet for a coffee to discuss further.

Regards,

Regards,

Chad Edwards, B.Comm.
Associate
Industrial Sales and Leasing

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From: Matt McCulloch <Matt.McCulloch@ca.ey.com>
Sent: Tuesday, April 2, 2019 10:06 a.m.
To: Chad Edwards
Cc: Nicole Pozer
Subject: RE: Signage at Various CNC Properties

Matt McCulloch

From:	Chad Edwards <chad.edwards@cwedm.com>
Sent:	April 5, 2019 10:35 AM
To:	Matt McCulloch
Subject:	Re: Signage at Various CNC Properties

Yes we had signage installed.

Sent from Nine

Chad Edwards, B.Comm.
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From: Matt McCulloch <Matt.McCulloch@ca.ey.com>
Sent: Thursday, April 4, 2019 8:48 a.m.
To: Chad Edwards
Subject: Re: Signage at Various CNC Properties

Hey Chad,

Thanks for this note. Quick question: Did signage end up going out to the sites?

From: Chad Edwards <chad.edwards@cwedm.com>
Date: April 2, 2019 at 1:07:31 PM MST
To: Matt McCulloch <Matt.McCulloch@ca.ey.com>
Cc: Nicole Pozer <nicole.pozer@cwedm.com>, Nicholas Farnden <Nicholas.Farnden@cwedm.com>
Subject: Re: Signage at Various CNC Properties

Hi Matt,

No activity to report in those markets or on the properties. We have found most industrial users have been reluctant to move forward with any kind of land purchase for a longer term facility in these markets and there is no demand for laydown/storage yard at this time. It sounds like most users are waiting to see what happens with the election at a minimum.

I do not precieve this as an issue that even a significant price reduction would help. As this is more of a

Evan MacKinnon

Subject: Wabasca properties - CNC

From: Chad Edwards <chad.edwards@cwedm.com>
Sent: Wednesday, July 24, 2019 9:07 AM
To: Matt McCulloch <Matt.McCulloch@ca.ey.com>
Cc: Ryan Quinlan (rquinlan@dcllp.com) <rquinlan@dcllp.com>; Darren R. Bieganek (dbieganek@dcllp.com) <dbieganek@dcllp.com>; Mark Shtay <Mark.Shtay@ca.ey.com>
Subject: RE: Wabasca properties - CNC

Good Morning Matt,

The previous asking price for the Wabasca Property was $2,400,000, that being said their was also a banner on the marketing brochure which stated the Vendor is open to receiving all reasonable Offers.

The Wabasca site has received no interest or inquiries to date. The Bonnyville Land has also been quite slow however I have received inquiries into the pricing there, I always state that the Vendor is motivated and open to Offers but no additional interest has been showed.

I did receive a phone call from a gentleman in Fort McMurray with interest on the Land in Wandering River yesterday and spoke with him at length regarding what was there. The types of questions he was asking indicated that he had more interest than just to know the price. I sent him some information and told him I would follow up on Friday once he had a chance to go through it all. There was definite interest, he mentioned that he would have to see if he could gather the funds to purchase.

We have seen a slight uptick in activity over the past 6 months in Edmonton and some of the larger northern markets like Grande Prairie and Fort McMurray but the tertiary markets are still quite slow; it takes a bit longer for that activity to make its way there.

Do not hesitate to contact me with any further questions that you have. I will keep you posted with any updates on the Athabasca Land interest.

Regards,

Chad Edwards, B.Comm.
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Industrial Sales and Leasing

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From: Matt McCulloch <Matt.McCulloch@ca.ey.com>
Sent: July-24-19 1:59 AM
To: Chad Edwards <chad.edwards@cwedm.com>
Cc: Ryan Quinlan (rquinlan@dcllp.com) <rquinlan@dcllp.com>; Darren R. Bieganek (dbieganek@dcllp.com) <dbieganek@dcllp.com>; Mark Shtay <Mark.Shtay@ca.ey.com>
Subject: Wabasca properties - CNC

Hey Chad,

Can you please let this group know what the previous asking price was for the Wabasca properties before it was recently changed to "market price"? Also, can you confirm to this group my understanding that there has essentially been no interest or enquiries into the properties to date? My recollection was that no one has even called to ask about price or any other information... any other colour you can add from your perspective on this would be appreciated.

Thanks in advance.

Matt

Get Outlook for iOS

Matt McCulloch

From: Bob Sword
Sent: June 25, 2020 9:00 PM
To: Matt McCulloch
Subject: CNC Real Estate

I spoke with Chad Edwards today. He promised to have something for us tomorrow. He indicated that here hasn't any activity in the market since 2014 / 2015 so he will likely give us his best guess.

Regards,

Bob Sword

Bob Sword, CPA-CA, CIRP | Senior Manager | Corporate Restructuring and Insolvency

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Cell: 780-893-7655
Website: http://www.ey.com

From: Matt McCulloch <Matt.McCulloch@ca.ey.com>
Sent: Thursday, June 25, 2020 4:22 PM
To: Bob Sword <Bob.Sword@ca.ey.com>
Subject: Sorry Bob - any word on the land appraisals/valuations?

Matt McCulloch, CPA, CA, CIRP, Licensed InsolvencyTrustee
Partner & Senior Vice President*| Corporate Restructuring & Insolvency
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Website: http://www.ey.com
Assistant: Michelle Jameson | Phone: 780 441 4693 | michelle.jameson@ca.ey.com
Paraprofessional: Trina Sorbara | Phone 780 412 2393 | trina.m.sorbara@ca.ey.com
* Services provided through Matthew McCulloch Professional Corporation.

SCHEDULE F

Ernst & Young Inc. - Rate Card

		Hourly Rate*					
Name	Position	2017	2018	2019	2020	2021	Note
Alexander May	Manager		330				
Amine Hajji	Vice President		395				
Andrew Cochran	Senior Vice President		575				
Bob Sword	Vice President		395	410	450	500	
Brent Cheung	Senior Vice President		575				
Dan McCulloch	Vice President	380	395	410	450	500	1
Daniel Pintaric	Manager	300	330	330	330	350	1
Darcy Yamada	Senior Vice President		575				
Donna Hatfull	Paraprofessional		180				
Evan MacKinnon	Manager				300	350	
Franca Mazzulla	Paraprofessional		180				
Joshua Bourhis	Senior		125	180			2
Kathleen Elisabeth Socka	Manager		330				
Logan Day	Senior Vice President		575				
Marie Jackson	Paraprofessional		180				
Mark Shtay	Senior		180	185	225	300	
Matt McCulloch	Senior Vice President	550	575	595	595	625	
Philip Kan	Paraprofessional		180				
Robert Ferguson	Senior (Manager 2020)		180		300		
Roman Laguta	Manager		330				
Stuart Clinton	Senior Vice President		575				
Thomas Kwan	Manager		330				
Trina Sorbara	Paraprofessional		180	185	225	300	
Yoram Beck	Vice President		395				

Notes

1) On certain invoices, the Monitor has chosen to charge less than it's published rate for this individual.
2) Mr. Bourhis was an intern in 2018, returning to EY as a Staff Accountant in 2019. His rate was adjusted accordingly.

* **The yearly rates are from the months of July to June, respectively (i.e 2020 is July 2019 to June 2020)**

SCHEDULE G

Ernst & Young Inc. - Canada North Camps Group of Companies

File Number: 196164

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.

Court of Queen's Bench of Alberta Action Number: 1703 12327

Duncan Craig LLP Personnel Rates and Charges

Name	Position	Year of Call	Rate Applied to File
Darren Bieganek, Q.C.	Partner	1990	$525.00 (2017 – August 2019) $565.00 (August 2019) $575.00 (as of January 2020)
Ryan Quinlan	Partner	2011	$360.00 (2017) $375.00 (2018) $385.00 (2019) $400.00 (2020)
Brittany Earl	Partner	2012	$290.00 (2017) $325.00 (2018)
Mark Baergen	Associate	2015	$235.00 (2017) $270.00 (2018) $300.00 (2019) $325.00 (2020)
Zachary Soprovich	Associate	2017	$175.00 (2017) $220.00 (2018) $250.00 (2019) $300.00 (2020)

Name	Position	Year of Call	Rate Applied to File
Kayla Thompson	Associate	2018	$185.00 (2018) $235.00 (2019) $250.00 (2020)
Brett Rooney	Associate	2017	$180.00 (2018) $225.00 (2019) $235.00 (2020)
Brad Angove	Associate	2018	$170.00 (2017 – student) $185.00 (2018) $235.00 (2019) $250.00 (2020)
Trent Kulchar	Associate	2012	$300.00 (2017) $325.00 (2018)
Pierce Quaghebeur	Associate	Student/2019	$185.00 (2018) $200.00 (2019) $235.00 (2020)
Natasha Hepp	Associate	Student/2020	$185.00 (2019) $220.00 (2020)
Isabel Murdoch	Associate	Student/2020	$185.00 (2019) $220.00 (2020)
Marnie Porter	Assistant/Paralegal	N/A	$165.00

SCHEDULE H

Our File: 204-196164

Your File:

Lawyer: **Darren R. Bieganek, QC**
Telephone: 780.441.4386
Email: dbieganek@dcllp.com
Fax: 780.428.9683

December 17, 2020

Via E-Mail

Bennett Jones LLP
4500 Bankers Hall East
855 – 2nd Street SW
Calgary, AB T2P 4K7

Attention: Ken T. Lenz, QC

Dear Sir:

Re: Canada North – Questions for Monitor Related to Cost Allocation – Your Letter of November 19, 2020

Further to your letter of November 19, 2020, we are writing to provide you with the Monitor's reply.

First, as a general note, we enclose for your reference the relevant extracts of the Monitor's 11th Report filed back in March of 2018 which sets out the methodology employed by the Monitor in conducting the allocation. I believe this was prepared, filed and served prior to your engagement by Northland but it is enclosed once again for your edification. The relevant portions are paragraphs 52 through 68.

In specific response to your questions and inquiries:

__Generally__

1. Did the Monitor consider cost allocation based on the debts owing?

   Answer: No, as outlined in the Monitor's 11th Report, the Monitor's basis for assessment, which appears to be the most fair to all stakeholders, was based on realizations or, if not realized upon at the time, the average of a reduced net realizable value as per the Monitor's NRV schedule based on held appraisals. For real estate it was based on the lesser of the appraised value or current listing price. The present allocation uses a net zero realization rate for the remaining real estate which means your client is not required, under this analysis, to provide funds to contribute to the costs of the proceedings generally. If the Monitor used debt numbers or attributed a value to the remaining real estate, your client would be required to provide funds to the Monitor.

The Monitor's approach is supported by case law which affirms the use of values or actual realizations versus debt. The Monitor saw no reason to deviate from this approach.

2. Did the Monitor consider taking into account the usual and expected costs a creditor would incur? What is the Monitor's view on the relationship between the costs allocated to Northland and its usual and expected costs of realization?

   Answer: The Monitor did not take this into account because its costs are authorized and charged against the assets of the Applicant Companies under the terms of the Initial Order. Allocation on the basis suggested is neither fair nor reasonable to the creditor body generally given the circumstances. Under the Monitor's present analysis, Northland is not allocated any costs. Rather, the Monitor is proposing a net realizable value of zero on the remaining assets over which Northland has security (subject to addressing the pending Bonnyville offer) with the net result that at the time of discharge, the Monitor would essentially leave realizations to each of the creditors who continue to have unrealized land security, including Northland.

   Noting that, however, we enclose an analysis conducted by the Monitor outlining the cost and expenses incurred by it in dealing with assets secured to Northland, most of which are relation to the costs associated with the ongoing maintenance and security of the Wabasca property which has a stick built, affixed, building on site akin to a motor lodge.

   The direct costs that the Monitor attributes to preservation of the Northland security is $149,715.48 to the end of July of this year. Those costs are not, however, being sought from Northland. The bulk of those costs will be borne by CWB. Costs after July 31, 2020, however, will be to your client's account and will be discussed further below.

3. Could the Monitor provide a more detailed breakdown of the sale of assets for $12,145,933?

   Answer: The Monitor does not see that there is any utility to undertaking this effort. We have no appreciation of the relevance of the request. The Monitor has done a thorough job in breaking down proceeds based on the company which owned the asset and the proceeds generated therefrom in relation to the different creditors allocated sums respecting what we were able to determine were secured claims against those specific assets. The Monitor remains open to considering the matter further but there will be some level of work that is needed on the part of the Monitor to break each and every sale down again if that is what your client is after. However, we ask that you please provide some enlightenment on exactly what it is that your client is after in this regard and how that might bear some relevance to the cost allocation analysis as we remain unconvinced that having a further breakdown of this number is going to materially contribute to adjustments in the allocation, nor indeed are we aware of what the utility is to the process of the allocation beyond what has been done already.

<u>Winterburn</u>

1. Please provide the payout statement of the first mortgage holder on the Winterburn property.

   Answer: Copy of the spreadsheet provided to the Monitor is attached. As of September 6, 2018, Staheli Construction ("Staheli") was owed $4,852,598.24 as per Mr. Staheli's Affidavit sworn

September 10, 2018. Balance at end of July 2020 was $779,477.00 as per the attached spreadsheet.

2. Why are costs after the April 2018 sale allocated to Winterburn?

   Answer: It was always contemplated that realized assets during the proceedings would be utilized to address costs overall of the proceeding. That has been the Monitor's approach from inception.

3. What were the proceeds held in trust following the sale of the Winterburn property?

   Answer: Staheli made application for distribution of all funds to payout the mortgage in full on September 21, 2018. On that application, the Monitor recommended, and the Court agreed, to a holdback of $700,000.00 from Staheli. In the result, Staheli received $4,157,132.75. Total funds held were $1.3 Million inclusive of the Staheli holdback.

   With respect to that money:

   a. how does the Monitor propose to allocate the money?

      Answer: At the time the September 21, 2018 Order was granted, the range of allocated costs to Staheli was estimated at $476,457.64 to $583,094.22. The proposed allocation now has that number at just over $684,000.00. At the time of that application, which application I believe ultimately led to your engagement as counsel for Northland, Northland also made an application to receive certain a distribution of proceeds from the sale of that land ahead of the costs and ahead of a full payout pay out to Staheli. That application was dismissed by the Court. I enclose a copy of the September 21, 2018 Order for ease of reference.

      The funds will be allocated as set out in the proposed allocation in accordance with established legal priorities. Administrative costs first, Staheli second.

   b. why does the Monitor think a 50% discounted allocation of costs to secured creditors is reasonable?

      Answer: By this we believe you mean a 50% discount for the mortgage holders. The Monitor's view is that the nature of the security held (real estate) warrants a lower allocation given the nature of the asset and the fact that they are not operational as it were. This is consistent with what we consider the Court's approach to take on these types of issues in the caselaw beginning with *Hunter's Trailer & Marine* and cases which have considered it.

   c. why did the Monitor allocate all the costs to Northland and not any to the first mortgage holder?

      Answer: First, the Court already addressed that issue on the September 21, 2018 Order. Second, this is a function of priority: in the absence of an Order being granted to reverse the priority established by the Initial Order and the priority that Staheli enjoys over Northland, the Order of payment is: the administrative costs, the Staheli mortgage, then Northland.

      As it is, after taking care of the priority charge for costs, Staheli will not be paid out in full.

No costs are allocated to your client or Staheli in the direct sense. They are allocated to the asset. Your client had a second charge. There will be no funds available to pay to your client after payment of priority claims.

d. why is interest earned in the trust on the sale proceeds all allocated to CWB?

Answer: That is being adjusted. Thank you for that comment.

Bonnyville

1. We understand that the Bonnyville property was listed with a realtor. Please advise of the initial selling price, the date on which it was changed, and the amount it was changed to.

   Answer: The Bonnyville properties were listed for sale prior to the Monitor's powers being expanded. To the Monitor's knowledge, the property has always been listed "at market" with the commercial realtor inviting parties to make an offer without any adjustments to the listing.

2. If any offers were received on the Bonnyville property, please provide copies.

   Answer: The only offer received on some of the Bonnyville properties was that which was received in the last couple of weeks. You have been provided with a copy of same.

3. When did the Monitor remove all chattels and equipment from the Bonnyville property?

   Answer: This is a broad question. The equipment has been removed over time by various parties. As has been revealed in the various reports filed by the Monitor, Aurora Lodging and Great White Sand Tiger had units onsite. Those units were placed there without their knowledge or consent having believed that the applicant companies were simply storing those units for them until they could be put to better use. They had no knowledge that they were physically moved to and installed in the Bonnyville camp. The remainder of the equipment was removed after the settlement with 726 which took place over a period throughout the fall of 2019.

4. Was the Bonnyville property left clean after the equipment was removed?

   Answer: Those parties had not leased the property, the Bonnyville property was owned by 137 so to the extent that the equipment has been removed, the Monitor considers it "clean".

5. What were the proceeds realized from selling the chattels and equipment on the Bonnyville property?

   Answer: Again, we are not quite certain what the point is with this request. No proceeds were realized from Aurora Lodging or Great White Sand Tiger although they did contribute some funds to improvement tax obligations as you are aware. The proceeds realized came from the settlement with 726. The terms of that settlement were outlined in the Monitor's 25th Report and paragraph 8 thereof (we enclose the complete report for your edification). The allocation to the Bonnyville assets from those settlement proceeds was $737,187.55. That settlement was approved by Order dated October 1, 2019.

<u>Wabasca</u>

1. We understand that the Wabasca property was listed with a realtor. Please advise of the initial selling price, the date on which it was changed, and the amount it was changed to.

   Answer: Similar to Bonnyville, the property was listed prior to the Monitor's powers being expanded. It was listed "at market". To the Monitor's knowledge no changes in the advertised listing were made.

2. If any offers were received on the Wabasca property, please provide copies.

   Answer: No offers were received on the Wabasca property.

3. When did the Monitor remove all chattels and equipment from the Wabasca property?

   Answer: Chattels and equipment were sold and subsequently removed from the property by buyers at various times since the Monitor's powers were expanded. Last removable pieces were removed by the end of July 2020. This site also includes a stick-built building which remains on site. The Monitor has no intention to remove it. It would be considered affixed to the property and forms part of your client's security. The only party now with an interest in that property is your client.

4. Was the Wabasca property left clean after the equipment was removed?

   Answer: Again, the Monitor remains in possession of the property. The Monitor continues to have security on site. Removable assets have been removed from the site as of July 31, 2020.

5. Has the Monitor investigated or considered putting the Wabasca property into auction?

   Answer: The property was not necessarily included as an auctionable item in the Mirterra online auction but was noted in the material as available for consideration of offers. No bids were received.

6. What were the proceeds from the chattels and equipment on the Wabasca property?

   Answer: Again, we are not sure what the point is with respect to this request. The assets which were onsite were owned by different companies and secured to more than one party. There will be a cost and effort for the Monitor to put that information together (Bonnyville was clearly more readily identifiable because of the settlement with 726) but we would require some edification on what the point is to this question. The parties who held security on the equipment are having their proceeds charged with a contribution to the costs at a percentage greater than mortgage holders. At that, Northland's remaining security is not being allocated a cost contribution notwithstanding that a six-figure amount has been spent maintaining security on Wabasca in particular. Utilities, insurance and security continue to be maintained for this property. As noted above, as your client is now the only secured party with an interest in the property, the Monitor's position is that all costs associated with the maintenance of it after July 31,2020 are to your client's account. This is a cost which your client would incur in the normal course of foreclosure proceedings.

7. What was the insurance proceeds of $80,323 for?

Answer: There was water damage to some dorms secured to Versa Bank. The proceeds represent a settlement received from the insurance company in relation to that water damage.

We trust the foregoing is in order. We would like to get this matter resolved as soon as possible. If you have any further questions, please advise. If you feel that a conference call among counsel and our respective clients would be a useful exercise, then please advise on that as well.

Yours truly,

DUNCAN CRAIG LLP

Per:

DARREN R. BIEGANEK, QC
DRB/kjs
Enclosure

cc: Ernst & Young Inc.
Attention: Matt McCulloch

From: Jeremy H. Hockin <jhockin@parlee.com>
Sent: February-06-21 6:46 PM
To: Ryan Quinlan <rquinlan@dcllp.com>; Steven A. Rohatyn <srohatyn@parlee.com>; Michelle Qu <mqu@dcllp.com>; Allie Larson <alarson@parlee.com>
Cc: Laura Perram <lperram@parlee.com>; Darren Bieganek <dbieganek@dcllp.com>
Subject: RE: CCAA - 667402 Alberta Ltd. et al. - Action #1703 12327 - Monitor's February 25, 2021 Application Materials

Hi Ryan.

I've had a brief look at the Monitor's Application and the 31st Report. Clearly the contents of the "Confidential Supplement" are at the crux of the Monitor's proposed allocation.

I'm at a loss to understand why the Monitor believes it necessary to keep it confidential. It simply must be readily available to all stakeholders to enable them to understand what the Monitor is proposing, since it evidently departs significantly from the Monitor's earlier suggested allocation. It also has to be put on the record in these proceedings.

Respectfully, the suggestion that the Monitor's estimated values of the remaining real estate could constitute a justification for keeping the Supplement confidential strikes me as problematic, since as I understand it, the Monitor is proposing to simply wash its hands of the real estate. In such circumstances, the estates of the companies under the Monitor's control have no interest in the values, other than for the purpose of the proposed allocation, which in my submission can't be held in confidence against anyone.

I urge the Monitor to reconsider its position on keeping this supplement confidential.

Please advise as quickly as possible, so that we can try to get before ACJ Neilsen for direction in the event that the Monitor insists on its current position.

Jerry

Matt McCulloch

From:	Darren Bieganek <dbieganek@dcllp.com>
Sent:	February 7, 2021 2:06 PM
To:	Jeremy H. Hockin; Ryan Quinlan; Steven A. Rohatyn; Michelle Qu; Allie Larson
Cc:	Laura Perram; Matt McCulloch
Subject:	RE: CCAA - 667402 Alberta Ltd. et al. - Action #1703 12327 - Monitor's February 25, 2021 Application Materials

Jerry,

The Monitor took that position to keep the allocation confidential for the benefit of your client who, as we understand it, operates a MIC, and other parties who remain interested in the real estate. You are correct that the Monitor is proposing that it have no further involvement with the real estate however we made the assumption, supported by your client's prior counsel given that your client has investors to answer to, that maintaining confidentiality with respect to those real estate values would be in the best interests of those who remain interested in those assets who presumably may wish to take steps to realize upon them and would not want information pertaining to the values out in the public domain.

We took that position when issuing each allocation, including the latest in October of last year. That allocation was contained in the Confidential Supplement to the 29th Report and has been referred to as the October allocation. No objection was voiced by your client, through their former counsel, to maintaining the confidentiality in October and your client has received a copy of that allocation by counsel giving the undertaking. As well, there is no departure from the methodology employed by the Monitor in respect of the October Allocation and the updated one contained in the Confidential Supplement to the 31st Report (the "February 2021 Allocation"). The difference in methodology is between the original estimates done in 2018 (based on realization estimates) and the October Allocation when realizations were effectively concluded and the Monitor had actuals. On the basis of this allocation your client is not being asked to contribute to the cost pool.

Any party wishing to receive the Confidential Supplement will receive it upon giving the undertaking below which is the same undertaking we have been asking for, and receiving, throughout the proceedings.

After considering the foregoing, if your client now wants the information pertaining to the values of its remaining secured collateral put into the public domain then please confirm that to us in writing. The Monitor has no stake in the assets however your client is not the only one party affected. There are others and one is not sophisticated. Their counsel has been receiving the reports by giving the undertaking. We would need to clear removing confidentiality on the supplement by the remaining parties. If everyone is in agreement then I see no impediment to maintaining the confidentiality but at the moment, the Monitor has broad obligations and must err on the side of maintaining confidentiality.

In the interim, I suggest you confirm your firm's agreement to abide by the undertaking. We can provide you with the Confidential Supplement and you can consider and get instructions from your client on making that Confidential Supplement public. It would be helpful as well if we could get your clients proposal to us. We have been waiting since before Christmas for that and it seems to me would be a more productive use of time to have something to discuss which potentially advances a resolution as opposed to arguments over whether confidentiality needs to be maintained.

Regards,

Darren

Matt McCulloch

From:	Darren Bieganek <dbieganek@dcllp.com>
Sent:	February 16, 2021 5:10 PM
To:	Jeremy H. Hockin; Steven A. Rohatyn; Allie Larson; Laura Perram
Cc:	Ryan Quinlan; Matt McCulloch; Karla Sookdeo
Subject:	Canada North - cost allocation application scheduled for February 25, 2021
Attachments:	Canada North – Update on Proceedings and Request for Responses; 210216 Hockin 4149-2033-0539 v.1 signed - 4161-9978-9867 v1.pdf; Ltr Justice Hillier - Dec. 2.20 - 4126-5082-1417 v1.pdf
Sensitivity:	Private

Jerry,

Enclosed please find my letter of today addressed to you along with attachments.

Regards,

Darren Bieganek

Darren Bieganek, LLB, QC
Partner, Insolvency, Restructuring and Commercial Litigation
Duncan Craig LLP
2800 Scotia Place, 10060 Jasper Ave
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Web: dcllp.com

COVID-19 Response Statement

DUNCANCRAIG LLP
LAWYERS MEDIATORS
CELEBRATING 125 YEARS

Our File: 204-196164

Your File:

Lawyer: **Darren R. Bieganek, QC**
Telephone: 780.441.4386
Email: dbieganek@dcllp.com
Fax: 780.428.9683

February 16, 2021

Via E-Mail: jhockin@parlee.com

Parlee McLaws LLP
1700 Enbridge Centre
10175 101 Street NW
Edmonton, AB T5J 0H3

Attention: Jeremy Hockin, Q.C.

Dear Sir:

Re: In the Matter of a Plan of Arrangement of 667402 Alberta Ltd. et al.
Court of Queen's Bench of Alberta Action Number: 1703 12327

I am writing in response to your letter received on Friday, February 12, 2021 wherein you requested copies of Confidential Material previously sealed by order of the Court and an adjournment of the February 25, 2021 hearing presently scheduled for the full day before Associate Chief Justice Nielsen.

I confirm that we received your undertaking, and the undertaking of your client, to maintain confidentiality with respect to the Confidential Material requested on the afternoon of Saturday, February 13, 2021 and you received copies of the requested material shortly thereafter. I also confirm that you received information pertaining to the Monitor's fees and costs, and those of our office, on Friday afternoon.

With respect to the adjournment request, as discussed with you on the telephone on Friday, my instructions are to advise that the Monitor is not prepared to accede to the adjournment request, but I am authorized to extend to you the courtesy of a brief extension of time within which to file responding material.

With respect to the adjournment request, while I appreciate that you are new to this piece of the file, having been retained by Northland after they parted ways with Mr. Lenz, your office is now the third lawyer that Northland has engaged during this proceeding. An explanation of the background on how matters progressed respecting this application is in order so that you have a complete picture.

In specific response to the timing of the application, when the parties were before Justice Hillier on October 30, 2020 on application for an extension of the stay to the end of January of this year, it was anticipated that we would be able to bring this application forward for hearing by the end of January. The parties present at that hearing, and Mr. Lenz specifically, indicated to the Court that the parties would likely require a full day hearing to address the matter. Given that Justice Hillier and ACJ Nielsen had carriage of this matter jointly as case mangers, it was imperative that the matter be heard before one of them.

Justice Hillier advised us then that he was scheduled to be in a rather lengthy trial during the month of January and February and that ACJ Nielsen's calendar was reasonably full as manager of the Court's pandemic response. That said, the parties were tasked with taking steps to try and narrow the issues, confirm back to the Court through the Court Coordinator the length of time that would be needed for the hearing and then write to the court to determine if ACJ Nielsen had the necessary time available within which to hear the application.

This task was undertaken. I corresponded with the parties by e-mail on October 31 seeking initial positions on a preliminary basis (copy attached). I received responses, including those from Mr. Lenz on behalf of Northland who insisted that we would need a full day. I then prepared, and circulated to the service list, a draft letter to the Court. Counsel, including Mr. Lenz, provided input. Once the final draft was approved, it was sent to Justice Hillier on December 2, 2020. A copy of that letter is also attached.

ACJ Nielsen responded with dates in January (which was too early) and the February 25th date which all parties agreed was available to them.

As the February 25th date would take us beyond the January extension, we appeared before the Court in mid-January and obtained an extension to mid-April.

In the meantime, Mr. Lenz wrote to me at the end of November with a series of questions. Those were answered in my letter of December 17, 2020, a copy of which I provided to you on Friday of last week.

As you will note from the material which you have received thus far, the Monitor is recommending that in respect of your client and one other mortgage holder, both of whom maintain security against real estate which remains unsold, those parties be allocated zero costs on the basis that the value of their material is at, what the Monitor has referred to, a net zero value, likely having less value than the taxes and mortgage debt against it.

Those parties who continue to hold security on unrealized real estate will be able to take steps to realize on those assets if the Order sought on February 25th is granted. The Monitor is then at liberty to issue the notice of its intention to abandon the assets to the remaining stakeholders with an interest in those assets as contemplated in the application material.

The Monitor appreciates that this allocation is not perfect. It is, however, fair, and equitable. As I have indicated to you on more than one occasion, the Monitor does not yet have your client's position in respect of these matters. What I have gleaned from correspondence and conversations with Mr. Lenz and what the Monitor has gleaned from conversations with your client directly is that your client is concerned that they are not receiving any money out of this process. While that is unfortunate, it has more to do with the nature of the asset against which security was taken and in some instances the mortgage position your client was in. In the circumstances, the Monitor has prepared the cost allocation which takes that into account with the result that your client is not being asked to contribute any funds to the cost of the proceedings. This is so even though the Monitor has expended $149,715 in direct costs associated with maintaining Wabasca (the list was included with my letter to Mr. Lenz of December 17th, a copy of which was provided to you on Friday).

The Monitor has been waiting on your client's position for a couple of months now and we have not received any indication from your client or its counsel on exactly what that position might be.

In conclusion, I confirm once again that the Monitor is not prepared to accede to the request for an adjournment. I have instructions to agree to a short extension of time within which you can file your material but have not received an indication from you as to when that might be (keeping in mind that Mr. Lenz agreed to today as his deadline).

The Monitor's reply deadline is Friday. I would very much appreciate hearing from you as soon as possible as to your anticipated timeline for putting forward your client's yet unarticulated position and its support for same.

Yours truly,

DUNCAN CRAIG LLP
Per:

DARREN R. BIEGANEK, QC
DRB/kjs
Enclosures

c.c.: client

Matt McCulloch

From:	Darren Bieganek <dbieganek@dcllp.com>
Sent:	October 30, 2020 2:42 PM
To:	Matt McCulloch; Dan McCulloch; Delblanc Sigurd; StefanDelblanc; Darren Bieganek; Ryan Quinlan; joliver@casselsbrock.com; crussell@mross.com; Warner Terry; krowan@ogilvielaw.com; Amber Poburan; hferris@lawsonlundell.com; Roberts William; Ken Lenz; pstocco@brownleelaw.com; ndaprocida@shaw.ca; Plester, Greg; Dana M.Nowak; mderendube@mltaikins.com; cwebster@mltaikins.com; slivingstone@mross.com; Harnett Patrick; shelby@treeeater.ca; mparrish@fasken.com; ymoquin@blackdiamondgroup.com; grace@securiguard.com; pearcemay@shaw.ca; admin@aquatera.ca; thamelin@bmllp.ca; jlawson@petersco.com; antiochd3 @yahoo.com; barry@rammodular.com; jjkueber@bryanco.com; don.cooper@dlapiper.com; nsmith@snyder.ca; ryan.flewelling@regentlaw.ca; setrakov@burstall.com; dhaliwal@burstall.com; jflanagan@mross.com; reception@englaw.ca; johnfleming@shaw.ca; christcitycreative@gmail.com; luc@flashfiresafety.com; john@virklaw.ca; Jerritt Pawlyk; glen.staheli@gmail.com; brian.davison@dlapiper.com; bsquibb@stikeman.com; barry@rammodular.com; davids@cimarroncamps.com; susan@cimarroncamps.com; philipharrison154 @gmail.com; bradley@freedomlaw.ca; mslandry@outlook.com; (Kourtney.Rylands@mcmillan.ca)KourtneyRylands; George.A.Murray@wellsfargo.com; jeff@durum.ca; kim.wakefield@dentons.com; sierra.heisler@dentons.com
Subject:	Canada North – Update on Proceedings and Request for Responses

Further to the above noted matter and the application scheduled for this morning, I write to confirm that Justice Hillier did grant the extension requested. The stay has been extended now to January 31, 2021. A filed copy of the Order signed by His Lordship will be served as soon as we have it back from the courthouse.

We are now getting, we hope, to the end of this proceeding. As parties will have noted in the Monitor's 29th Report, a cost allocation, referred to by the Monitor as the "October Allocation" has been prepared. It is included in the Confidential Supplement to the Monitor's 29th Report. If you have not yet requested a copy, then I ask that you please do so as soon as possible by either making that request of myself or Mr. Ryan Quinlan. Upon receipt of that request, we will ask you for an undertaking to maintain confidentiality and upon receipt of your confirmation of that undertaking we will provide that Confidential Supplement to you.

Approval by the Court of that allocation is the most important milestone that we have to complete prior to finalization of this matter. As part of that process, and in anticipation of moving forward with an application to approve the allocation, I made a request of Justice Hillier to advise of either his or Associate Chief Justice Nielsen's availability for a hearing in late January for that application. To that end, I have been asked to provide the Court with a letter sometime next week outlining any potential issues creditors wish to raise respecting the allocation in an attempt to determine how much time might be needed to address the issues. Accordingly, it is quite important that if you have not already requested a copy of that Confidential Supplement that you take steps to do so as soon as possible. Once received, I urge you to review the allocation and provide my office with an indication of your clients' preliminary thoughts and concerns so that we can gain some appreciation of the issues which need to be address at the hearing and how much of the court's time may be needed to be scheduled for January. This is, for the moment, only an exercise in trying to obtain sufficient information so that I can respond to the court's request for the letter and request sufficient time from the court to have the issues addressed (all on the assumption the issues are not capable of resolution between now and the end of January). If I could have your response by Tuesday evening next week that would be appreciated. The time line is driven by the court's request for my letter by the middle of next week.

On the point of potential resolution of any issues raised respecting the allocation, as all parties are aware, Canadian Western Bank ("CWB") will be the party bearing the largest burden of the costs of this proceeding. As noted in the Monitor's 29th Report, the Monitor and our office have engaged in discussions with the Bank and the Bank's legal counsel respecting the October Allocation. The Bank has, reluctantly, indicated its willingness to support the October Allocation as presented. Mr. Russell did indicate in Court this morning however, that if issues arise with respect to the allocation which may alter it materially, the Bank is reserving all of its rights to change its position and, in particular, will reserve its rights to ask the Court to impose a greater cost carrying burden on other creditors. The point is that everyone does need to appreciate that to the extent there are any adjustments to the allocation it will effect everyone else.

We provide you with this information on CWB's position so that you have it as most of you were not in attendance on the application this morning.

Any issues or questions that you do have of the respecting the October Allocation will be answered by the Monitor as quickly as possible. The Monitor's ultimate objective is to narrow, and as much as possible eliminate, any issues or controversy associated with the October Allocation, appreciating that everyone is likely to be somewhat unhappy with the result

As part of this process leading to the windup of these proceedings, the Monitor and our office are also in the midst of preparing summaries of our accounts which we hope to be in a position to circulate to the service list within the next few weeks. We will be inviting any parties with concerns to express them to us in writing in an effort to try and address those concerns as efficiently as possible as well.

Trusting the foregoing is in order, I look forward to receiving your initial responses with your initial identified concerns, if any, so that I can craft the letter to the court. I will share my draft with responders only for approval prior to its submission to Justice Hillier.

Yours truly,

Our File: 204-196164

Your File:

Lawyer: Darren R. Bieganek, QC
Telephone: 780.441.4386
Email: dbieganek@dcllp.com
Fax: 780.969.6381

December 2, 2020

Via E-Mail

Court of Queen's Bench of Alberta
c/o Commercial Court Coordinator
Attention: Brent Dufault
Law Courts Building
1A Sir Winston Churchill Square
Edmonton, AB T5J 0R2

Attention: The Honourable Justice S.D. Hillier

Dear Sir:

Re: In the Matter of a Plan of Arrangement of 667402 Alberta Ltd. et al (generally "Canada North")
QB Action Number 1703 12327
Proposed Allocation Application – January, 2021

With reference to the above captioned matter and our appearance before you at the end of October, I have now received comments from creditors in relation to the Monitor's Proposed Allocation (the "October Allocation") as set forth in the Confidential Supplement to the Monitor's 29th Report. My apologies for the delay in getting this to you, however I just most recently received the latest set of comments. This letter has been provided to the Service List for comment in advance, and is submitted to you with the concurrence of counsel for the affected parties.

You made a request of the writer to provide you with the following:

a) An indication of the nature of the issues raised by concerned creditors; and

b) A realistic estimate of the time that will be needed to consider the application.

Addressing the nature of the issues first, we have heard from three creditors who have raised matters for the Monitor's consideration. Failing resolution, each will want to make submissions to the Court respecting their positions. The issues raised are as follows:

1) Under the October Allocation, Business Development Bank ("BDC") is being asked to pay back funds to satisfy the allocation of costs attributed to their security. BDC was the first mortgage lender

on the Canada North head office building which was sold early in the proceedings. There is a claw back provision in the Sale and Vesting Order ("SAVO") to address BDC's anticipated contribution to costs of the proceedings. BDC's issue relates to the timing of the sale. BDC's counsel notes that from a temporal perspective, the asset in question was listed for sale prior to the commencement of proceedings and was only among the assets of Canada North for a relatively short period of time during the proceedings. The issue framed is whether, in that instance, the asset, and therefore BDC itself, should be visited with a share of the costs of the entirety of the proceedings both pre and post sale in the circumstances.

2) Weslease raises similar concerns to those of BDC although their concerns vary on that initial theme. Weslease's primary obligant was 1919209 Alberta Ltd ("191"). That company was added as an Applicant by the First Extension Order granted July 27, 2017. It was not among the original filing applicants. 191 was specifically incorporated to lease equipment from Weslease which was in turn leased to Canada North for use in its operations. There was some level of cross-collateralization with purported collateral mortgage security being given by a related entity, 1371047 Alberta Ltd. ("137"). The collateral mortgage granted by 137 was found to be invalid by ACJ Nielsen. Weslease's counsel has advised verbally that consideration should be given to a reduction of Weslease's cost contribution because of the fact 191 was a separate company and not part of the main operations of Canada North. Weslease is also of the view that the assets over which it had security were sold in March of 2018 as part of what has been referred to as the "Nielsen Transaction". The funds held related to that matter since that time. Weslease's position is that they have had no interest in any other assets or any further proceedings and should therefore not be liable for continuing costs. This excludes the water treatment plant which remains at Monais for which Weslease and the Monitor have consensually already agreed to address the cost allocation relative to that asset.

3) Northland Mortgage, you will recall, noted its concern through its counsel at the hearing of the last stay extension application. The concern articulated at that time was with respect to the level, or lack thereof, of recovery made in respect of the assets over which it holds security. As advised during that Court Application, counsel for Northland Mortgage intended to provide, and has now provided, the Monitor with a list of questions which the Monitor is in the process of preparing answers for. Some relate to the methodology employed in arriving at the calculations, others relate to the recovery issue. No specific requests to modify the October Allocation have yet been made by Northland Mortgage as yet. They await the Monitor's reply.

Other creditors who have responded to the Monitor's request for input to date have taken a similar position to that of the Canadian Western Bank ("CWB"): they are prepared to accept the proposed October Allocation but reserve rights to raise questions or issues if others intend to do so.

The Monitor and our office are now in the process of first answering the inquiries made by Northland Mortgage through its counsel and will continue the process of discussing matters with the parties raising issues in an effort to focus the discussion, and hopefully resolve, matters without the need for a Court hearing or, at a minimum, reduce the number of issues which need to be brought to the Court for consideration and resolution.

Based on the foregoing, however, as indicated at the hearing, one day is probably going to be needed to be reserved for the purpose of the hearing of these matters. If the Court is not able to accommodate a hearing in January, then we will need to extend the stay further. No counsel have expressed a concern with extending the stay for this purpose. We appreciate that Court time is precious at the moment and that we are asking a lot of the Court for a full day before either yourself or Associate Chief Justice Nielsen to hear the matter.

Once we obtain a date from the Court, counsel will formulate and provide the Court with a schedule of timing for the exchange of materials. A request has been made for at least 10 days between the date of the Monitor's submission of materials (which we anticipate to be a further Report, along with an Application and Brief of Law) and the date for the filing of their reply material On behalf of the Monitor, I can advise that we take no issue with that timing but all are in agreement that it seems best to work on a schedule after we have received a response on a date from the Court.

We trust, however, that the foregoing does provide the Court with some useful background and look forward to hearing from you in respect of the request for a full day hearing before the Court for sometime later in January.

Yours truly,

DUNCAN CRAIG LLP

Per:

DARREN R. BIEGANEK, QC
DRB/kjs

cc: Service List