

Clerk's Stamp

COURT FILE NUMBER 2001-06194

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE *COMPANIES' CREDITORS*  
*ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, as amended

AND IN THE MATTER OF THE COMPROMISE OR  
ARRANGEMENT OF REDROCK CAMPS INC., SOCKEYE  
ENTERPRISES INC., SWEETWATER HOSPITALITY INC.  
and BALDR CONSTRUCTION MANAGEMENT INC.

APPLICANTS INVICO DIVERSIFIED INCOME L.P. and INVICO TRADE  
CAPITAL L.P.

RESPONDENTS REDROCK CAMPS INC., SOCKEYE ENTERPRISES INC.,  
SWEETWATER HOSPITALITY INC. and BALDR  
CONSTRUCTION MANAGEMENT INC.

DOCUMENT **APPLICATION FOR STAY EXTENSION ORDER**

ADDRESS FOR  
SERVICE AND  
CONTACT  
INFORMATION  
OF PARTY  
FILING THIS  
DOCUMENT

Gowling WLG (Canada) LLP  
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File: A163844

## NOTICE TO THE RESPONDENTS

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the Court.

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

Date:	September 15, 2020
Time:	2:00 pm
Where:	To be heard by Webex. See <b>Appendix "A"</b> .
Before:	The Honourable Justice C. Dario

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

### Remedy Sought:

1. The Applicants, Invico Diversified Income L.P. ("**IDILP**") and Invico Trade Capital L.P. (with IDILP, "**Invico**") seek an order pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended, (the "**CCAA**") substantially in the form attached as **Schedule "A"** hereto:
  - a. extending the Stay Period up to and including November 27, 2020, or such further and other date as determined by the Court;
  - b. increasing the maximum amount of the approved borrowing under the amended and restated CCAA Interim Financing Agreement (the "**Amended Financing Agreement**") and the maximum amount of the Interim Lender's Charge from \$2,500,000 to \$3,000,000;
  - c. approving such amendments as are necessary to the Amended Financing Agreement to reflect the increased maximum amount of borrowing to \$3,000,000 and extending the Termination Date, as defined in the Amended Financing Agreement, to November 27, 2020;
  - d. empowering the Monitor to execute an agreement reflecting the necessary amendments to the Amended Financing Agreement set out in (c) on behalf of the Respondents;

- e. abridging the time for delivery and deeming service of this Application to be good and sufficient; and
- f. such further and other relief as the Applicants may request and this Honourable Court may grant.

**Basis for this Relief:**

- 2. On May 13, 2020, this Court granted the Initial Order, among other things, (a) declaring the Respondents are companies to which the CCAA applies, (b) granting a stay of proceedings up to and including May 25, 2020 (the "**Stay Period**"), and (c) appointing BDO Canada Limited ("**BDO**") as Monitor of the Respondents in these proceedings.
- 3. Since then the Court has granted the following orders:
  - a. On May 25, 2020, this Court granted the Amended and Restated Initial Order, which among other things, extended the Stay Period up to and including July 24, 2020 and approved the Amended Financing Agreement; and
  - b. On July 14, 2020, the Court granted:
    - i. an order approving the sale and investment solicitation process (as amended, the "**SISP**"), the engagement of KPMG Corporate Finance Inc. (the "**Sale Advisor**") as the sale advisor in respect of the SISP, and granted certain charges against the Respondents' Property (as defined in the Amended and Restated Initial Order); and
    - ii. an order empowering the Monitor to execute any definitive asset sale agreements or investment agreements for and on behalf of the Respondents in connection with the SISP and extending the Stay Period up to and including September 30, 2020.

4. The Bid Deadline, as defined in the SISP, was August 21, 2020. On August 31, 2020 the Monitor informed Invico that it had been selected as the Successful Bidder (as defined in the SISP), with respect to the following property of the Respondents:
  - a. substantially all of the assets of Redrock, not including its shares in Sockeye, Sweetwater and Baldr (the “**Redrock Assets**”); and
  - b. substantially all of the assets of Sockeye (the “**Sockeye Assets**”, together, the “**Purchased Assets**”).
5. Under the SISP, the Monitor and Invico, as the Successful Bidder, are in the process of negotiating the asset purchase agreements and any other necessary agreements for the purchase and sale each of the Sockeye Assets (the “**Sockeye Transaction**”) and the Redrock Assets (the “**Redrock Transaction**”, collectively the “**Transactions**”), in accordance with the SISP.
6. Invico anticipates that the Monitor will bring an application for an Approval and Vesting Order for the Sockeye Transaction, returnable on the same day at this application.
7. Invico and the Monitor have engaged in negotiations regarding the asset purchase agreement for the sale of the Redrock Assets and any other necessary agreements, in accordance with the SISP (the “**Redrock Transaction**”). Invico and the Monitor anticipate that they will finalize the Redrock Transaction and return to this Court for an Approval and Vesting Order by November 27, 2020.

**A. Stay Extension**

8. The Applicants have been acting diligently and in good faith in these CCAA proceedings since the granting of the Amended and Restated Initial Order by cooperating with the Monitor in its efforts to stabilize the Respondents' business, including:

- (a) cooperating with the Monitor and the Sale Advisor regarding the conduct of the SISP;
  - (b) reviewing the 13 week cash flows of the Respondents (the "**Cash Flow Statements**"); and
  - (c) advancing funds under the Amended Financing Agreement to maintain the operations of the Respondents' active service camps.
9. The relief sought in the proposed order is appropriate and necessary. An extension of the Stay Period up to and including November 27, 2020 is necessary to provide the Monitor and Invico time to negotiate the asset purchase agreements and any other necessary agreements required to finalize the Sockeye and Redrock Transactions.

***B. Increase in Maximum Borrowing Amount and Interim Lender's Charge***

10. IDILP and the Respondents entered into the Amended Financing Agreement to provide the liquidity necessary to finance the Respondents' operations and restructuring during these CCAA proceedings. An increase in the maximum amount of approved borrowing under the Amended Financing Agreement and the Interim Lender's Charge is necessary in order to complete the Sockeye and Redrock Transactions and ensure the continued administration of these CCAA proceedings.
11. Under the Amended Financing Agreement, IDILP made an Interim Facility available to the Respondents with a maximum borrowing amount of \$2,500,000. As of August 13, 2020, the Interim Facility has been exhausted.
12. On August 28, 2020, IDILP advanced \$200,000 (such amount being the "**Bulge Loan**") in excess of the maximum borrowing amount contemplated by the Amended Financing Agreement to ensure that the Respondents' August 28 payroll obligations were met. The Bulge Loan was repaid on September 4, 2020.

13. There are insufficient funds under the maximum borrowing amount set out in the Interim Financing Agreement to fund the CCAA through the completion of the Sockeye and Redrock Transaction and through to November 27, 2020.
14. In order to advance further funds to the Respondents under the Amended Financing Agreement the parties will have to amend the agreement to:
  - a. increase the maximum borrowing amount under the Interim Facility from \$2,500,000 to \$3,000,000; and
  - b. extend the Termination Date (as defined therein) from an outside date of October 30, 2020 to November 27, 2020, as set out in the Amended Financing Agreement section 3(a).
15. The Applicants, the Monitor and counsel to the Respondents have reached an agreement in principal on the above terms, but have not had time to execute an amendment to the Amended Financing Agreement.
16. Troy Ferguson resigned from his positions as Director and President of each of the Respondent companies, effective September 15, 2020. Mr. Ferguson is the only individual with signing authority with respect to the Respondents. Accordingly, the Applicants seek an order empowering the Monitor to execute an agreement reflecting the necessary amendments to the Amended Financing Agreement.
17. The Applicants plead and rely on the provisions of the CCAA, the equitable jurisdiction of this Court and such further and other grounds as counsel may advise and this Court may permit.

**Affidavit or other evidence to be used in support of this application:**

18. The Affidavit of David Hawkins, affirmed September 10, 2020.
19. The First Report of the Monitor dated May 22, 2020.
20. The Second Report of the Monitor dated July 10, 2020.

21. The Third Report of the Monitor, to be filed.
22. Such further and other materials or evidence as counsel may advise and this Honourable Court may permit.

**Applicable Acts and regulations:**

23. *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended.
24. *Judicature Act*, RSA 2000, c J-2, as amended.
25. *Alberta Rules of Court*, Alta Reg 124/2010.
26. Such further and other acts and regulations as counsel may advise and this Honourable Court may permit.

**WARNING**

You are named as a respondent because you have made or are expected to make an adverse claim in respect of this originating application. If you do not come to Court either in person or by your lawyer, the Court may make an order declaring you and all persons claiming under you to be barred from taking any further proceedings against the applicant(s) and against all persons claiming under the applicant(s). You will be bound by any order the Court makes, or another order might be given or other proceedings taken which the applicant(s) is/are entitled to make without any further notice to you. If you want to take part in the application, you or your lawyer must attend in Court on the date and the time shown at the beginning of this form. If you intend to give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered.

## APPENDIX "A" – WEBEX VIDEOCONFERENCE INFORMATION

**Virtual Courtroom 62** has been assigned for the following matter:

Date: Sep 15, 2020 02:00 PM

Style of Cause: INVICO DIVERSIFIED INCOME LP v. REDROCK CAMPS INC - 2001 06194

Presiding Justice: DARIO, J

Virtual Courtroom Link:

<https://albertacourts.webex.com/meet/virtual.courtroom62>

Instructions for Connecting to the Meeting

1. Click on the link above or open up Chrome or Firefox and cut and paste it into your browser address bar.
2. If you do not have the Cisco Webex application already installed on your device, the site will have a button to install it. Follow installation instructions. Enter your full name and email address when prompted
3. Click on the **Open Cisco Webex Meeting**.
4. You will see a preview screen. Click on **Join Meeting**.

Key considerations for those attending:

1. Please connect to the courtroom **15 minutes prior** to the start of the hearing.
2. Please ensure that your microphone is muted and remains muted for the duration of the proceeding, unless you are speaking. Ensure that you state your name each time you speak.
3. If bandwidth becomes an issue, some participants may be asked to turn off their video and participate by audio only.
4. **Note: Recording or rebroadcasting of the video is prohibited.**
5. **Note: It is highly recommended you use headphones with a microphone or a headset when using Webex. This prevents feedback.**

If you are a non-lawyer attending this hearing remotely, **you must** complete the undertaking located here: <https://www.albertacourts.ca/qb/resources/announcements/undertaking-and-agreement-for-non-lawyers>

For more information relating to Webex protocols and procedures, please visit:

<https://www.albertacourts.ca/qb/court-operations-schedules/webex-remote-hearings-protocol>

**SCHEDULE "A"**

[Stay Extension Order]

Clerk's Stamp:

COURT FILE NUMBER

2001-06194

COURT

COURT OF QUEEN'S BENCH OF  
ALBERTA

JUDICIAL CENTRE

CALGARY

IN THE MATTER OF THE *COMPANIES'*  
*CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, as amended

AND IN THE MATTER OF THE  
COMPROMISE OR ARRANGEMENT OF  
REDROCK CAMPS INC., SOCKEYE  
ENTERPRISES INC., SWEETWATER  
HOSPITALITY INC. and BALDR  
CONSTRUCTION MANAGEMENT INC.

APPLICANTS:

INVICO DIVERSIFIED INCOME L.P. and  
INVICO TRADE CAPITAL L.P.

RESPONDENTS:

REDROCK CAMPS INC., SOCKEYE  
ENTERPRISES INC., SWEETWATER  
HOSPITALITY INC. and BALDR  
CONSTRUCTION MANAGEMENT INC.

DOCUMENT

**STAY EXTENSION ORDER**

CONTACT INFORMATION OF  
PARTY FILING THIS DOCUMENT:

**GOWLING WLG (CANADA) LLP**

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File: A163844

DATE ON WHICH ORDER WAS PRONOUNCED:	September 15, 2020
NAME OF JUDGE WHO MADE THIS ORDER:	Justice C. Dario
LOCATION OF HEARING:	Calgary Court House

**UPON** the application of Invico Diversified Income L.P. And Invico Trade Capital L.P. (collectively, the “**Applicants**”); **AND UPON** having read the Application filed by the Applicants on September 10, 2020, the Affidavit of David Hawkins affirmed September 10, 2020 (the “**Hawkins Affidavit**”); and the Affidavit of Service of Blair Wentworth sworn September 10, 2020, filed; **AND UPON** upon reading the Third Report of BDO Canada Limited in its capacity as Monitor of the Respondents (the “**Third Report**”), **AND UPON HEARING** the submission of the Applicants’ counsel, counsel for the Monitor, counsel for the Respondents, and those other persons listed on the counsel slip, no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service, filed; **IT IS HEREBY ORDERED AND DECLARED THAT:**

**SERVICE**

1. The time for service of the notice of application for this order (the “**Order**”) is hereby abridged and deemed good and sufficient and this application is properly returnable today.

**STAY EXTENSION**

2. The Stay Period referred to in paragraph 15 of the Amended and Restated Initial Order dated May 25, 2020 is hereby extended until and including November 27, 2020.

**MAXIMUM BORROWING AMOUNT AND INTERIM LENDER’S CHARGE**

3. The maximum amount of the approved borrowing under the Interim Financing Agreement (the “**Amended Financing Agreement**”), as set out at paragraph 33

of the Amended and Restated Initial Order, is increased from \$2,500,000 to \$3,000,000.

4. The maximum amount of the Interim Lender's Charge, as set out at paragraph 36 and 39 of the Amended and Restated Initial Order, is increased from \$2,500,000 to \$3,000,000.

#### **AMENDMENTS TO THE AMENDED FINANCING AGREEMENT**

5. The Applicants and Respondents may make such amendments as are necessary to the Amended Financing Agreement to reflect the increased maximum amount of borrowing to \$3,000,000 and extending the Termination Date, as defined in the Amended Financing Agreement, to November 27, 2020.
6. The Monitor is empowered to execute an agreement reflecting the necessary amendments to the Amended Financing Agreement set out in paragraph 5 on behalf of the Respondents.

#### **GENERAL**

7. All capitalized terms used in this Order and not otherwise defined shall have the meanings ascribed to them in the Amended and Restated Initial Order, the Hawkins Affidavit and the Third Report, as applicable.
8. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or any other foreign courts to give effect to this Order and to assist the Respondents and the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Respondents and the Monitor and their respective agents as may be necessary or desirable to give effect to this Order or to assist the Respondents and the Monitor and their respective agents, in carrying out the terms of this Order.

9. This Order shall have immediate full force and-effect in all provinces and territories in Canada.

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Justice of the Court of Queen's Bench of  
Alberta