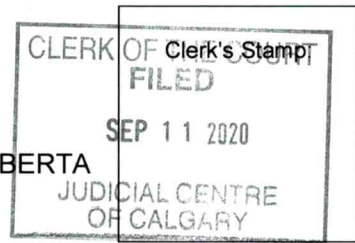


COURT FILE NUMBER 2001-06194



COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

MATTER 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.

APPLICANT BDO CANADA LIMITED

DOCUMENT **APPLICATION FOR SALE APPROVAL AND VESTING ORDER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

MLT AIKINS LLP
2100 Livingston Place
222 - 3rd Avenue S.W.
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File No.: 0128056.00002
Counsel for the Applicant, BDO Canada Limited

This application will be heard as shown below:

DATE: September 15, 2020

TIME: 2:00 p.m.

LOCATION: Calgary Courts Centre
601-5 Street SW
Calgary, AB T2P 5P7

BEFORE WHOM: The Honourable Madam Justice C. Dario

I. RELIEF SOUGHT

1. For the reasons further described herein, BDO Canada Limited, in its capacity as the monitor (the “**Monitor**”) of Redrock Camps Inc., Sockeye Enterprises Inc. (“**Sockeye**”), Sweetwater Hospitality Inc. and Baldr Construction Management Inc. (collectively, the “**Debtors**”), hereby seeks from this Court the issuance of an order, substantially in the form of the draft Order attached as Schedule “A” to this Application, providing for, *inter alia*:
 - (a) an order to abridge the time for delivery and to deem service of this Application to be good and sufficient; and
 - (b) an order authorizing the Monitor to complete the sale of all of the assets, properties and undertakings (the “**Purchased Assets**”) of Sockeye to Invico Diversified Income L.P. and Invico Trade Capital L.P., or their designated nominee (collectively, “**Invico**” or the “**Purchaser**”); and
 - (c) sealing the confidential supplement (the “**Confidential Supplement**”) to the third report (the “**Third Report**”) of the Monitor, each dated September 9, 2020 on the Court record until six (6) months after the discharge of the Monitor in the CCAA proceedings.
2. Capitalized terms used herein but not defined bear the same meaning as set forth in the Third Report.

II. PROCEDURAL BACKGROUND

3. On May 13, 2020, Invico applied for and obtained an initial order (the “**Initial Order**”) pursuant to the *Companies’ Creditors Arrangement Act* (the “**CCAA**”) and the Monitor was appointed as the monitor of the Debtors.
4. As a result of the Initial Order all proceedings against the Debtors and their assets were automatically stayed for an initial period of ten (10) days (the “**Stay Period**”).
5. On May 25, 2020, this Honourable Court (the “**Court**”) pronounced a further order (the “**ARIO**”):
 - (a) extending the Stay Period until July 24, 2020;

- (b) authorizing the Debtors to borrow an additional amount of up to \$2,500,000 (the “**IF Facility**”) from Invico as the interim lender (the “**Interim Lender**”);
 - (c) granting the Interim Lender a super-priority charge in the amount of \$2,500,000 plus interest (the “**IF Charge**”) on the universality of all of the Debtors’ present and after-acquired property and interest (the “**Property**”); and
 - (d) granting to the Monitor, its legal counsel, Invico, its legal counsel and the Debtors’ legal counsel a super-priority charge in the amount of \$500,000 plus interest (the “**Administration Charge**”) on the Property.
6. On, July 14, 2020, the Monitor obtained an order (the “**SISP Order**”) which approved the terms of a sales and investment solicitation process (the “**SISP**”) for a sale or investment in the assets of the Debtors. The SISP Order also approved the engagement of KPMG Corporate Finance Inc. as sale advisor (the “**Sale Advisor**”) to the Monitor who was authorized to implement and manage the terms of the SISP and established a sale advisor charge (the “**Sale Advisor Charge**”).
7. On July 14, 2020, Invico obtained an order extending the stay of proceedings to September 30, 2020 and extending the Monitor’s enhanced powers to include the execution of Definitive Agreements arising from the SISP.

III. **GROUND FOR THE REQUESTED ORDER**

A. *The SISP*

8. The SISP was launched by the Sale Advisor on July 20, 2020.
9. The Sale Advisor took the following pre-marketing and marketing steps:
- (a) A copy of an initial information brochure (the “**Teaser Letter**”) was prepared and finalized on July 21, 2020;
 - (b) Approximately 140 parties from a distribution list received an electronic copy of the Teaser Letter by email;
 - (c) An advertisement was placed in the Financial Post, Calgary Herald, Edmonton Journal and Daily Oil Bulletin;
 - (d) The opportunity was posted on the Monitor’s website;

- (e) 30 parties executed Non-Disclosure Agreements ("**NDA**s"), which the Sale Advisor advises is a high number for a divestiture of this nature;
 - (f) Those parties executing NDAs were provided access to an electronic data room organized by the Sale Advisor containing information provided by Management; and
 - (g) The Sale Advisor had discussions with various interested parties in respect of the opportunity throughout the period.
10. The bid deadline under the terms of the SISP was extended by the Monitor from August 21, 2020 to August 28, 2020 (the "**Bid Deadline**").
11. The Monitor and the Sale Advisor determined that the LOI submitted by Invico for substantially all of the assets of each of Redrock and Sockeye was the superior offer.
12. The Monitor and Invico have negotiated and executed a purchase and sale agreement in respect of the Sockeye assets (the "**Sockeye PSA**") which is subject to the approval of this Honourable Court.
13. The Monitor believes that the Sockeye PSA is in the best interest of all stakeholders and recommends approval of same for the following reasons:
- (a) The Sockeye PSA was generated as a result of the SISP, which was approved by this Honourable Court;
 - (b) The Sale Advisor is regarded as well respected in the marketplace and has executed many engagements in respect of insolvent entities;
 - (c) The Redrock Group's assets were widely advertised by the Sale Advisor during the SISP and the Sale Advisor advised that significant interest was expressed from potential buyers for an offering of its size;
 - (d) Invico as the fulcrum secured creditor of the Redrock Group is supportive of the Sockeye PSA;
 - (e) The Monitor considers that there has been no unfairness arising from the SISP; and
 - (f) The Monitor is of the view that the Sockeye PSA was negotiated in good faith and is commercially reasonable in the circumstances.
14. Copies of the Sockeye PSA and the LOIs received by the Bid Deadline and the Monitor's analysis thereof are included at Appendix "D" in the Confidential Supplement.

15. The Monitor is concerned that the public disclosure of the respective commercial details of the Sockeye PSA and the LOIs may affect the future marketing efforts if disclosed before the conclusion of all SISP activities.
16. In addition, Invico has requested that the details of the Sockeye PSA and the LOI's not be disclosed for a period of time so as avoid any potential negative affect on Invico's efforts to transition the Sockeye operations

IV. REMEDY SOUGHT

17. The Monitor submits that all of the applicable legal requirements have been met, and that it is therefore appropriate for this Court, under the circumstances, to take the following actions:
 - (a) issue an order substantially in the form attached hereto as Schedule "A" to:
 - (i) abridge the time for delivery of this Application and deem service of this Application to be good and sufficient; and
 - (ii) approving the sale of the Purchased Assets to the Purchaser on substantially similar terms as those set out in the Purchase Agreement attached as Appendix A to the Confidential Supplement; and
 - (iii) sealing the Confidential Supplement on the Court record until six (6) months after the discharge of the Monitor under the CCAA proceedings; and
 - (b) provide such other relief as may seem just and reasonable to this Honourable Court.

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

18. The First Report of the Monitor dated May 22, 2020, filed;
19. The Second Report of the Monitor dated July 10, 2020, filed;
20. The Third Report of the Monitor dated September 10, 2020, to be filed;

21. The Confidential Supplement to the Third Report of the Monitor dated September 10, 2020; and
22. Such further information as counsel may advise and as this Honourable Court may permit.

Applicable Acts and Regulations:

23. the Alberta *Rules of Court*, Alta Reg 124/2010.
24. *Companies' Creditors Arrangement Act*, RSC 1985, c C-36.

Any Irregularity Complained of or Objection Relied on:

25. None

How the Application is proposed to be heard or considered:

26. In person via Webex.

WARNING

You are named as a respondent because you have made or are expected to make an adverse claim in respect of this 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 and against all persons claiming under the Applicant. You will be bound by any order that the Court makes, or another order might be given or other proceedings taken which the Applicant 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 at the time shown at the beginning of the form. If you intend to give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the Applicant(s) a reasonable time before the application is to be heard or considered.

Schedule A

Draft Order

(Please see attached)

COURT FILE NUMBER 2001-06194

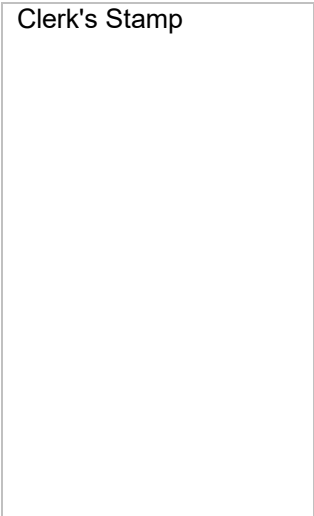
COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

MATTER

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.



DOCUMENT **APPROVAL AND VESTING ORDER
(Sale by the Monitor)**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

MLT AIKINS LLP
2100 Livingston Place
222 - 3rd Avenue S.W.
Calgary, AB T2P 0B4
Solicitors: Ryan Zahara
Telephone: (403) 693-5420
Email: rzahara@mltaikins.com
Fax Number: (403) 508-4349
File No.: 0128056.00002
Counsel for the Applicant, BDO Canada Limited

DATE ON WHICH ORDER WAS PRONOUNCED: September 15, 2020

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary Court Centre

NAME OF JUSTICE WHO MADE THIS ORDER: Justice C. Dario

UPON THE APPLICATION by BDO Canada Limited in its capacity as the Court-appointed monitor (the "**Monitor**") of the undertakings, property and assets of Sockeye Enterprises Inc. (the "**Debtor**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Monitor, for and on behalf of the Debtor and Invico Diversified Income L.P. and Invico Trade Capital L.P., or their designated nominee, (collectively, the "**Purchaser**") dated _____ and substantially in the form as appended to the confidential supplement, dated _____ (the "**Confidential Supplement**") to the third report (the "**Third Report**") of the Monitor, dated September 11, 2020, the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**");

AND UPON HAVING READ the sale and investment solicitation process (the “**SISP**”) order dated July 10, 2020 (the “**SISP Order**”), the order (the “**EMP Order**”) enhancing the Monitor’s powers dated September 15, 2020, the Amended and Restated Initial Order dated May 25, 2020, the Third Report, the Confidential Supplement and the Affidavit of Service; **AND UPON HEARING** the submissions of counsel for the Monitor, the Purchaser, and 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. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application and time for service of this application is abridged to that actually given.

APPROVAL OF TRANSACTION

2. The Transaction is hereby approved and execution of the Sale Agreement by the for and on behalf of the Debtor is hereby authorized and approved, with such minor amendments as the Monitor may deem necessary. The Monitor is hereby authorized and directed to take such additional steps and execute such additional documents for and on behalf of the Debtor as may be necessary or desirable for completion of the Transaction and conveyance of the Purchased Assets to the Purchaser (or its nominee).

VESTING OF PROPERTY

3. Upon delivery of a Monitor’s certificate to the Purchaser (or its nominee) substantially in the form set out in **Schedule “A”** hereto (the “**Monitor’s Closing Certificate**”), all of the Debtor’s right, title and interest in and to the Purchased Assets [listed in **Schedule “B”**] hereto shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, “**Claims**”) including, without limiting the generality of the foregoing:
 - (a) any encumbrances or charges created by the Amended and Restated Initial Order or the SISP Order;

- (b) any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;
- (c) any liens or claims of lien under the *Builders' Lien Act* (Alberta); and
- (d) those Claims listed in Schedule "C" hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, caveats, interests, easements, and restrictive covenants listed in Schedule "D" (collectively, "Permitted Encumbrances"))

and for greater certainty, this Court orders that all Claims including Encumbrances other than Permitted Encumbrances, affecting or relating to the Purchased Assets are hereby expunged, discharged and terminated as against the Purchased Assets

4. Upon delivery of the Monitor's Closing Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Monitor's Closing Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser or its nominee clear title to the Purchased Assets subject only to Permitted Encumbrances. Without limiting the foregoing:
 - (a) the Registrar of the Alberta Personal Property Registry (the "**PPR Registrar**") shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of the Debtor in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial-number goods.
5. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and the Monitor's Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.
6. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Monitor or the Debtor of the Sale Agreement.

7. Upon delivery of the Monitor's Closing Certificate together with a certified copy of this Order, this Order shall be immediately registered by the Land Titles Registrar notwithstanding the requirements of section 191(1) of the *Land Titles Act*, RSA 2000, c.L-7 and notwithstanding that the appeal period in respect of this Order has not elapsed. The Land Titles Registrar is hereby directed to accept all Affidavits of Corporate Signing Authority submitted by the Monitor in its capacity as Monitor of the Debtor and not in its personal capacity.
8. For the purposes of determining the nature and priority of Claims, net proceeds from sale of the Purchased Assets (to be held in an interest bearing trust account by the Monitor) shall stand in the place and stead of the Purchased Assets from and after delivery of the Monitor's Closing Certificate and all Claims including Encumbrances (but excluding Permitted Encumbrances) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted against the net proceeds from sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. Unless otherwise ordered (whether before or after the date of this Order), the Monitor shall not make any distributions to creditors of net proceeds from sale of the Purchased Assets without further order of this Court, provided however the Monitor or the Debtor may apply any part of such net proceeds to repay any amounts the Debtor has borrowed under the Interim Financing Facility.
9. Except as expressly provided for in the Sale Agreement or by section 5 of the Alberta *Employment Standards Code*, the Purchaser (or its nominee) shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against the Debtor.
10. Upon completion of the Transaction, the Debtor and all persons who claim by, through or under the Debtor in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).

11. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Debtor, or any person claiming by, through or against the Debtor.
12. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Debtor or the Monitor.
13. The Monitor is directed to file with the Court a copy of the Monitor's Closing Certificate forthwith after delivery thereof to the Purchaser (or its nominee).
14. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada) and section 20(e) of the *Alberta Personal Information Protection Act*, the Monitor is authorized and permitted to disclose and transfer to the Purchaser (or its nominee) all human resources and payroll information in the Debtor's records pertaining to the Debtor's past and current employees. The Purchaser (or its nominee) shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use (of such information) to which the Debtor was entitled.

MISCELLANEOUS MATTERS

15. Notwithstanding:
 - (a) the pendency of these proceedings and any declaration of insolvency made herein;
 - (b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended (the "BIA"), in respect of the Debtor, and any bankruptcy order issued pursuant to any such applications;
 - (c) any assignment in bankruptcy made in respect of the Debtor; and
 - (d) the provisions of any federal or provincial statute:

the vesting of the Purchased Assets in the Purchaser (or its nominee) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

16. The Monitor, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
17. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the Monitor and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such order and to provide such assistance to the Monitor, as an officer of the Court, as may be necessary or desirable to give effect to this Order or to assist the Monitor and its agents in carrying out the terms of this Order.
18. Service of this Order shall be deemed good and sufficient by:
- (a) Serving the same on:
 - (i) the persons listed on the service list created in these proceedings;
 - (ii) any other person served with notice of the application for this Order;
 - (iii) any other parties attending or represented at the application for this Order;
 - (iv) the Purchaser or the Purchaser's solicitors; and
 - (b) Posting a copy of this Order on the Monitor's website at: *
- and service on any other person is hereby dispensed with.
19. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

Schedule "A"**Form of Monitor's Certificate**

COURT FILE NUMBER

Clerk's Stamp

COURT

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

PLAINTIFF

DEFENDANT

DOCUMENT

MONITOR'S CERTIFICATE

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

RECITALS

- A. Pursuant to an Order of the Honourable Justice B.E.C. Romaine of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "**Court**") dated May 13, 2020, BDO Canada Limited was appointed as the monitor (the "**Monitor**") of the undertakings, property and assets of Sockeye Enterprises Inc. (the "**Debtor**").
- B. Pursuant to an Order of the Court dated September 8, 2020, the Court approved the agreement of purchase and sale made as of _____ (the "**Sale Agreement**") between the Monitor and Invico Diversified Income L.P. and Invico Trade Capital L.P., or their nominee (collectively, the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section ____ of the Sale Agreement have been satisfied or waived by the Monitor and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Monitor.
- C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Sale Agreement.

THE MONITOR CERTIFIES the following:

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

**BDO CANADA LIMITED, in its
capacity as Monitor of the
undertakings, property and assets of
Sockeye Enterprises Inc., and not in
its personal or corporate capacity.**

Per; _____

Name:

Title: