

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 TO APPOINT CHIEF RESTRUCTURING OFFICER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

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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:	October 9, 2020
Time:	2:00 pm
Where:	To be heard by Webex. See Appendix "A" .
Before:	The Honourable Justice Neufeld

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. ("**ITILP**" and together 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) appointing David Hawkins as Chief Restructuring Officer ("**CRO**") of Redrock Camps Inc. ("**Redrock**") and Sockeye Enterprises Inc. ("**Sockeye**");
 - (b) approving the engagement letter appointing David Hawkins as CRO of Redrock and Sockeye (the "**Engagement Letter**") in the form and content attached as Exhibit D to the affidavit of Christian Wutzke, affirmed October 5, 2020, subject to such minor amendments as the parties agree to, and with the consent of the Monitor;
 - (c) empowering the Monitor to execute the Engagement Letter on behalf of Redrock;
 - (d) providing that the CRO's indemnity, as set out in the Engagement Letter, is secured by the Directors' Charge set out at paragraph 23 of the Amended and Restated Initial Order; and

(e) 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, which, among other things, (a) declared the Respondents are companies to which the CCAA applies, (b) granted a stay of proceedings against the Respondents (the “**Stay of Proceedings**”), (c) appointed BDO Canada Limited (“**BDO**”) as Monitor of the Respondents in these proceedings, (d) granted the officers and directors a charge (the “**Directors’ Charge**”), and (e) approved an Interim Financing Agreement to provide the liquidity necessary to finance the Respondents’ operations and restructuring during these CCAA proceedings (the “**Interim Financing Agreement**”).

THE SISP

3. On July 14, 2020, this Court granted an Order approving a sale and investor solicitation process in respect of the Respondents (the “**SISP**”).
4. On August 21, 2020, Invico submitted a bid for (a) substantially all of the assets of Redrock not including its shares in Sockeye Enterprises Inc. (“**Sockeye**”), Sweetwater Hospitality Inc. and Baldr Construction Management Inc. (the “**Redrock Assets**”); and (b) substantially all of the assets of Sockeye (the “**Sockeye Assets**” and together the “**Purchased Assets**”).
5. On August 31, 2020, the Monitor notified Invico it was the Successful Bidder, as defined in the SISP, in respect of the Purchased Assets.
6. Invico and the Monitor have agreed to a form of asset purchase agreement (the “**Sockeye APA**”) for the purchase and sale of the Sockeye Assets. Invico and the Monitor have also engaged in negotiations regarding the asset purchase agreement for the sale of the Redrock Assets (the “**Redrock APA**”).

7. On September 15, this Court granted an order approving the sale of the Sockeye Assets and extending the Stay of Proceedings to November 27, 2020. Invico and the Monitor anticipate that they will return to this Court for an Approval and Vesting Order for the sale of the Redrock Assets on or before November 27, 2020.

APPOINTMENT OF CHIEF RESTRUCTURING OFFICER

8. Troy Ferguson resigned from his positions as Director and President of each of the Respondent companies, effective September 15, 2020. At this time, there are no officers and directors of the Respondents.
9. Jim Ashbaugh remained on as an executive of the Respondents in order to manage the day-to-day operations of the Respondents' business.
10. Jim Ashbaugh has resigned, effective October 31, 2020, due to concerns about operating Redrock's business without any officers and directors in place to direct him.
11. Invico and the Monitor are not in a position to return to this Court for an Approval and Vesting Order for the Redrock Transaction prior to October 31, 2020.
12. Additionally, the Monitor is currently attempting to collect outstanding accounts receivable owed to Redrock by Black Diamond Limited Partnership ("**Black Diamond**"). Redrock is unable to take steps to demand payment because there is currently no one with authority to bind Redrock and the Monitor is not empowered to make operational decisions for the Respondents.
13. The relief sought in the CRO Appointment Order is appropriate and necessary. There is no director or officer with capacity to bind Redrock and Sockeye and the Monitor does not have enhanced powers with respect to the operation of the Respondents' business. The relief sought contemplates that Mr. Hawkins be appointed to manage the operations of the Respondents' business, while the Monitor retains the independent power to negotiate any agreements and take such actions as are necessary to close the transactions of the Purchased Assets.

14. Mr. Hawkins has significant experience advising a camp company and has been acting in an advisory and oversight role with respect to the Respondents' finances throughout these CCAA proceedings.
15. 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:

16. The Affidavit of Christian Wutzke, affirmed October 5, 2020.
17. Such further and other materials or evidence as counsel may advise and this Honourable Court may permit.

Applicable Acts and regulations:

18. *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended.
19. *Judicature Act*, RSA 2000, c J-2, as amended.
20. *Alberta Rules of Court*, Alta Reg 124/2010.
21. 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 60 has been assigned for the following matter:

Date: Oct 09, 2020 02:00 PM

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

Presiding Justice: NEUFELD, J

Virtual Courtroom Link:

<https://albertacourts.webex.com/meet/virtual.courtroom60>

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"

[Order Appointing Chief Restructuring Officer]

Clerk's Stamp:

COURT FILE NUMBER

2001-06194

COURT

COURT OF QUEEN'S BENCH OF
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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

CHIEF RESTRUCTURING OFFICER
APPOINTMENT ORDER

CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT:

GOWLING WLG (CANADA) LLP

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File: A163844

DATE ON WHICH ORDER WAS PRONOUNCED:	October 9, 2020
NAME OF JUDGE WHO MADE THIS ORDER:	Justice Neufeld
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 October 5, 2020, the Affidavit of Christian Wutzke affirmed October 5, 2020 (the “**Wutzke Affidavit**”); and the Affidavit of Service of Sarah Aaron sworn October 5, 2020, filed; **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.

APPOINTMENT OF CHIEF RESTRUCTURING OFFICER

2. David Hawkins is appointed as Chief Restructuring Officer (the “**CRO**”) of Redrock Camps Inc. (“**Redrock**”) and Sockeye Enterprises Inc. (“**Sockeye**”).
3. The engagement letter appointing David Hawkins as CRO of Redrock and Sockeye (the “**Engagement Letter**”) is approved in the form and content attached as Exhibit D to the affidavit of Christian Wutzke, affirmed October 5, 2020, subject to such minor amendments as the parties agree to, and with consent of the Monitor.

4. The Monitor is empowered to execute an Engagement Letter with the CRO on behalf of Redrock.
5. The parties are authorized to perform all of their obligations pursuant to the Engagement Letter.
6. The CRO's indemnity, as set out in the Engagement Letter, is secured by the Directors' Charge set out at paragraph 23 of the Amended and Restated Initial Order.
7. In addition to the rights and protections afforded to the CRO by this Court, the CRO shall not be deemed to be a director, officer or trustee of the Respondents.
8. The CRO shall not take possession of the Respondents' current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the "**Property**") and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or the Property, or any part thereof.
9. In addition to the rights and protections afforded to the CRO by this Court, the CRO shall not incur any liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save an except for any liability or obligation incurred as a result of the CRO's gross negligence or wilful misconduct.
10. No action or other proceeding shall be commenced directly, or by way of counterclaim, third party claim or otherwise, against or in respect of the CRO, and all rights and remedies of any Person against or in respect of the CRO are hereby stayed and suspended, except with written consent of the CRO and the Monitor. Notice of any such motion seeking leave of this Court shall be served upon the CRO and the Monitor at least seven (7) days prior to the return date of any such motion for leave.

GENERAL

11. All capitalized terms used in this Order and not otherwise defined shall have the meanings ascribed to them in the Wutzke Affidavit, as applicable.
12. 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.
13. This Order shall have immediate full force and-effect in all provinces and territories in Canada.

Justice of the Court of Queen's Bench of
Alberta