

COURT FILE NUMBER 2001-06194
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

Clerk's Stamp

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.

DOCUMENT **APPLICATION FOR STAY EXTENSION ORDER**

ADDRESS FOR SERVICE **Gowling WLG (Canada) LLP**
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INFORMATION OF Calgary, AB T2P 4K9
PARTY FILING THIS
DOCUMENT

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File No.: 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 attend Court by videoconference or phone when the application is heard as shown below:

Date: November 26, 2020
Time: 2:00 pm
Where: Calgary Courts Centre – via Webex. Videoconference details are enclosed as **Appendix "A"** to this Application
Before: The Honourable Justice B.E.C. Romaine – Commercial List

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

Remedy claimed or 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) extending the Stay Period as defined in the Amended and Restated Initial Order dated May 25, 2020 up to and including February 12, 2021, or such further and other date as determined by the Court;
 - (b) approving such amendments as are necessary to the amended and restated CCAA Interim Financing Agreement (the "**Amended Financing Agreement**") to extend the Termination Date, as defined in the Amended Financing Agreement, to February 12, 2021;
 - (c) 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;
 - (d) abridging the time for delivery and deeming service of this Application to be good and sufficient; and
 - (e) such further and other relief as the Applicants may request and this Honourable Court may grant.

Basis for this Relief:

1. 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**"), (c) approving the interim financing agreement among the Respondents, as borrowers, and IDILP, as lender (the "**Interim Financing Agreement**"); and (d) appointing BDO Canada Limited ("**BDO**") as Monitor of the Respondents in these proceedings.

2. 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.
3. 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**").
4. The Monitor and Invico, as the Successful Bidder, have executed the asset purchase agreement for the purchase and sale of the Sockeye Assets (the "**Sockeye Transaction**") and are in the process of negotiating the terms of a definitive agreement under which a special purpose limited partnership created by Invico will acquire Redrock's business (the "**Redrock Transaction**", collectively the "**Transactions**").

5. The Redrock Transaction has been delayed due to challenges obtaining insurance and Crown dispositions for lands on which Redrock operates its camps. The parties are working to resolve these issues.

Amended Financing Agreement

6. 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.
7. On September 15, 2020, Justice Dario granted an order which, among other things:
 - (a) extended the Stay Period to November 27, 2020;
 - (b) increased the maximum amount of the approved borrowing under the Amended Financing Agreement, as set out at paragraph 33 of the Amended and Restated Initial Order, from \$2,500,000 to \$3,000,000;
 - (c) increased the maximum amount of the Interim Lender's Charge, as set out at paragraph 36 and 39 of the Amended and Restated Initial Order, from \$2,500,000 to \$3,000,000;
 - (d) permitted the Applicants and Respondents to make such amendments as are necessary to the Amended Financing Agreement to reflect the increased maximum amount of borrowing to \$3,000,000 and extend the Termination Date, as defined in the Amended Financing Agreement, to November 27, 2020; and
 - (e) empowered the Monitor to execute an agreement reflecting the necessary amendments to the Amended Financing Agreement on behalf of the Respondents (the "**Financing Amendment Order**").
8. On November 20, 2020, IDILP and BDO, solely in its capacity as Monitor, entered into an amendment to the Amended Financing Agreement ("**Amendment No 1**") to increase the maximum amount of borrowing to \$3,000,000 and to extend the Termination Date.
9. The parties have agreed to extend the Termination Date to February 12, 2021 to reflect the potential ongoing need for financing under these CCAA proceedings.

Stay Extension

10. 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");
 - (c) advancing funds under the Amended Financing Agreement to maintain the operations of the Respondents' active service camps; and
 - (d) providing operational support through David Hawkins', Vice President, Energy Services, of Invico Capital Corp., role as Chief Restructuring Officer ("**CRO**").
11. The relief sought in the proposed order is appropriate and necessary. An extension of the Stay Period up to and including February 12, 2021 is necessary to provide Invico and the Monitor time to close the Sockeye Transaction and negotiate the necessary agreements for the Redrock Transaction. Invico anticipates there will be sufficient financing to fund these CCAA proceedings until February 12, 2021.
12. The Invico Applicants believe that the stakeholders will not be prejudiced by the proposed extension of the Stay Period.
13. The Monitor is supportive of the proposed extension of the Stay Period to and including February 12, 2021.
14. Such further and other grounds as counsel may advise and this Honourable Court may permit.

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

15. The Affidavit of David Hawkins, affirmed November 20, 2020.

16. Such further and other materials or evidence as counsel may advise and this Honourable Court may permit.

Applicable Acts and regulations:

17. *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended.
18. *Judicature Act*, RSA 2000, c J-2, as amended.
19. *Alberta Rules of Court*, Alta Reg 124/2010.
20. 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: November 26, 2020 at 2:00 PM

Style of Cause: 2001 06194 - INVICO DIVERSIFIED INCOME LP v. REDROCK CAMPS INC - Nov 26, 2020 02:00 PM - ROMAINE, J

Presiding Justice: ROMAINE, 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>

You can also join the meeting via the “Cisco Webex Meetings” App on your smartphone/tablet or other smart device. You can download this via the App marketplace and join via the link provided above.

SCHEDULE "A"
[Stay Extension Order]

Clerk's Stamp

COURT FILE NO. 2001-06194

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

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DOCUMENT **STAY EXTENSION ORDER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **Gowling WLG (Canada) LLP**
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Attn: **Tom Cumming/Caireen E. Hanert**

Phone: 403.298.1938/403.298.1992

Fax: 403.263.9193

File No.: A163844

DATE ON WHICH ORDER WAS PRONOUNCED: November 26, 2020

LOCATION AT WHICH ORDER WAS MADE: Calgary Court House

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Justice B.E.C.
Romaine

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 November 20, 2020, the Affidavit of David Hawkins affirmed November 20, 2020 (the "**Hawkins Affidavit**"), all filed; **AND UPON** reading the Fifth Report of BDO Canada Limited in its capacity as Monitor (the "**Fifth Report**"), to be filed; of **AND UPON** hearing the submissions of counsel for the Applicants, counsel for the

Monitor 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 of Blair Wentworth sworn November 20, 2020, filed; **IT IS HEREBY ORDERED THAT:**

1. Service of this Application and supporting materials is hereby deemed to be good and sufficient, the time for notice is hereby abridged to the time provided, this application is properly returnable today, and no other person is required to have been served with notice of this Application.
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 February 12, 2021.

AMENDMENTS TO THE AMENDED FINANCING AGREEMENT

3. The Applicants and Respondents may make such amendments as are necessary to the Amended Financing Agreement to extend the Termination Date, as defined in the Amended Financing Agreement, to February 12, 2021.
4. The Monitor is empowered to execute an agreement reflecting the necessary amendments to the Amended Financing Agreement set out in paragraph 3 on behalf of the Respondents.

GENERAL

5. 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 Fifth Report, as applicable.
6. 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.

7. 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