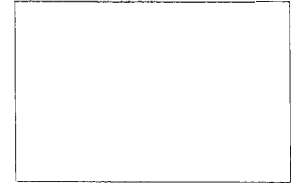


Clerk's Stamp:



COURT FILE NUMBER
COURT
JUDICIAL CENTRE OF

1903-24389
COURT OF QUEEN'S BENCH OF ALBERTA
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
COMPROMISE OR ARRANGEMENT OF TLI
CHO LANDTRAN TRANSPORT LTD., 1456998
ALBERTA LTD. and 146982 ALBERTA LTD.

APPLICANT

TLICHO INVESTMENT CORPORATION

RESPONDENT

TLICHO LANDTRAN TRANSPORT LTD.,
1456998 ALBERTA LTD. and 1456982
ALBERTA LTD.

DOCUMENT

NOTICE OF APPLICATION

CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT:

Cassels Brock & Blackwell LLP
Suite 3810, Bankers Hall West
888 3 Street SW
Calgary, Alberta T2P 5C5

Attention: Jeffrey Oliver
Phone: 403-351-2921
Facsimile: 403-648-1151

File No.: 49076-13

NOTICE TO RESPONDENTS:

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

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

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

Date: Wednesday, September 9, 2020

Time: 10:00 AM

Where: Edmonton Law Courts – Via Webex

Before Whom: The Honourable Madam Justice J.E. Topolniski

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

Remedy claimed or sought:

1. An Order substantially in the form of Schedule "A", attached hereto:
 - (a) if necessary, abridging the time for service of this Application and supporting Sixth Report (the "**Report**") of MNP Ltd. ("**MNP**") in its capacity as monitor (in such capacity the "**Monitor**") of Tlicho Landtran Transport Ltd., 1456982 Alberta Ltd., 1456998 Alberta Ltd. and Ventures West Transport Limited Partnership (collectively, the "**Companies**") to the time actually given and deeming service of notice of this Application and supporting materials good and sufficient; and
 - (b) approval of a settlement agreement dated September 1, 2020 (the "**TIC Settlement**") between the Monitor and Tlicho Investment Corporation ("**TIC**");
 - (c) approval of the professional fees and disbursements of the Monitor and the Monitor's legal counsel Cassels Brock & Blackwell LLP for the period ended July 31, 2020, including estimates to discharge; and
 - (d) such further and other relief, advice and directions as counsel may advise and this Honourable Court may deem just and appropriate.

Grounds for making this application:

Background

2. On November 29, 2019, on application by Tlicho Investment Corporation, this Honourable Court granted an order (the "**Initial Order**") appointing MNP as Monitor, to monitor the Property, Business and financial affairs of the Companies (as those terms are defined in the Initial Order) under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 (the "**CCAA**").

TIC Settlement

3. It is anticipated that residual funds in the amount of \$1.6 to \$1.9 million (the "**Distribution Pool**") will be available for distribution to the unsecured creditors of the Companies upon completion of the within CCAA proceedings.
4. TIC has asserted a subrogation claim against the Distribution Pool for approximately \$1.5 million (the "**Subrogation Claim**"). TIC has also asserted a claim against the Companies in the total amount of \$42.7 million (the "**TIC Claim**").
5. The Monitor has not been provided with or reviewed all information related to the TIC Claim but notes the following:
 - (a) the review of TIC's claim may not be straightforward and would require significant legal consultation;
 - (b) due to the nature and quantum of the TIC Claim, even if the Monitor or a Trustee in Bankruptcy determined that the TIC Claim was valid, it may be challenged by other creditors, which could result in increased professional fees and significant delays in creditor distributions; and
 - (c) if TIC were to be successful in advancing the TIC Claim, they would receive the majority of the Distribution Pool.
6. Subject to the approval of this Honourable Court, the Monitor and TIC have agreed to the TIC Settlement, which provides for a distribution to TIC in full satisfaction of the Subrogation Claim and the TIC Claim and provides for a significant distribution to the unsecured creditors.
7. The substantive terms of the TIC Settlement are outlined below:
 - (a) TIC shall be entitled to payment out of the Distribution Pool of the total of the following amounts (the "**TIC Payment**"):
 - (i) the lesser of 75% of the Distribution Pool or \$1.0 million; plus
 - (ii) 50% of any amount of the Distribution Pool that is greater than \$1.7 million,

provided that in no circumstance will TIC recover in excess of \$1.1 million in the aggregate;

- (b) after payment of the TIC Payment, the balance remaining within the Distribution Pool shall be available to MNP, in its future capacity as Trustee in Bankruptcy of the Companies or any other duly appointed Trustee in Bankruptcy of the Companies (the “Trustee”), for distribution to creditors of the Companies in accordance with the *Bankruptcy and Insolvency Act* (Canada) (the “**Bankruptcy Pool**”) and the terms of the TIC Settlement;
- (c) the Distribution Pool shall mean all amounts held by the Companies, the Monitor or the Monitor’s counsel on behalf of the Companies on the date of the TIC Settlement and all receipts collected by or on behalf of the Companies from and after the date of the TIC Settlement but prior to the distribution of the Bankruptcy Pool, whether such amounts are collected in the CCAA proceedings or subsequent bankruptcy proceedings, net of any amounts payable for secured claims or any other claims taking priority to the unsecured creditors of the Companies and any costs required to complete the administration of the CCAA proceedings; and
- (d) payment of the TIC Payment to TIC shall constitute full and final satisfaction of any and all claims by TIC or any of its affiliates against any of the Companies and TIC shall not file any proof of claim within any bankruptcy proceedings of the Companies on behalf of itself or any affiliates and associated and related corporations.

8. It is the view of the Monitor that the TIC Settlement is fair and reasonable as it (among other things):

- (a) balances the merits of the Subrogation Claim and the TIC Claim against the interests of other creditors; and
- (b) provides increased certainty to all creditors in terms of realizations and will help to minimize the costs associated with the CCAA proceedings and the subsequent bankruptcy proceedings.

Professional Fees

9. The fees and disbursements of the Monitor for the period ended July 31, 2020, including estimates to complete the CCAA proceedings total approximately \$416,329.41, inclusive of GST.
10. The fees and disbursements of the Monitor's legal counsel for the period ended July 31, 2020, including estimates to complete the CCAA proceedings total approximately \$628,344.20, inclusive of GST.
11. The invoices rendered by the Monitor and its legal counsel are reasonable in the circumstances and were validly incurred.

Material or evidence to be relied on:

12. Order pronounce November 29, 2019 by the Honourable Justice Graesser;
13. First Amending and Extension Order pronounced December 6, 2019 by the Honourable Justice Graesser;
14. Extension Order pronounced June 11, 2020 by the Honourable Justice G.S. Dunlop;
15. Sixth Report of the Monitor dated September 2, 2020; and
16. Such further and other materials as counsel may advise and this Honourable Court may permit.

Applicable rules:

17. Rules 1.3, 1.4, 6.2, 6.3, Part 6 Division 4; and
18. Such further and other rules as counsel may advise and this Honourable Court may permit.

Applicable Acts and regulations:

19. *Companies' Creditors Arrangement Act*, RSC 1895, c C-36; and
20. Such further and other acts and regulations as counsel may advise and this Honourable Court may permit.

Any irregularity complained of or objection relied on:

21. None.

How the application is proposed to be heard or considered:

22. Via Webex.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and 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.

Schedule "A"

Clerk's Stamp

COURT FILE NUMBER 1903-24389

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE OF 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 COMPROMISE OR ARRANGEMENT OF TLI CHO LANDTRAN TRANSPORT LTD., 1456998 ALBERTA LTD. and 146982 ALBERTA LTD.

APPLICANT TLICHO INVESTMENT CORPORATION

RESPONDENTS TLICHO LANDTRAN TRANSPORT LTD., 1456998 ALBERTA LTD. and 1456982 ALBERTA LTD.

DOCUMENT **ORDER**

CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT: **Cassels Brock & Blackwell LLP**
Suite 3810, Bankers Hall West
888 3 Street SW
Calgary, Alberta T2P 5C5

Attention: Jeffrey Oliver
Phone: 403-351-2921
Facsimile: 403-648-1151

File No.: 49076-13

DATE ON WHICH ORDER WAS PRONOUNCED: September 9, 2020

LOCATION OF THIS HEARING: Edmonton, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Madam Justice J.E. Topolniski

UPON the application of MNP Ltd. in its capacity as monitor (in such capacity, the "**Monitor**") of Tlicho Landtran Transport Ltd., 1456982 Alberta Ltd., 1456998 Alberta Ltd. and Ventures West Transport Limited Partnership (collectively, the "**Companies**"); **AND UPON** having read the Notice of Application of the Monitor, the Sixth Report of the Monitor dated September 2, 2020 (the "**Report**"); **AND UPON** having read the Affidavit of Mark Brajer sworn

September 2, 2020 and the Notice of Application of the Monitor; **AND UPON** having read the Initial Order pronounced by the Honourable Justice Graesser in the within proceedings on November 29, 2019, the Amended and Restated Initial Order granted in the within proceedings by the Honourable Justice Graesser on December 6, 2019 and the Extension Order pronounced by the Honourable Justice G.S. Dunlop on June 11, 2020; **AND UPON** hearing counsel for the Monitor, counsel for the Companies, and any others in attendance;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. The time for service of this Application and supporting materials is hereby abridged to the time actually given, and service of notice of this Application and supporting materials is good and sufficient.

TIC Settlement

2. The settlement agreement dated September 1, 2020 (the "**TIC Settlement**") between Monitor and Ticho Investment Corporation ("**TIC**") is hereby approved and execution of the TIC Settlement by the Monitor is hereby authorized and approved, with such minor amendments as the Monitor may deem necessary.
3. The Companies, the Monitor and any trustee in bankruptcy that may be appointed in respect of the Companies are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for completion of the TIC Settlement.
4. Without limiting the generality of paragraph 3 of this Order, the Companies and the Monitor are authorized and directed to pay to TIC and to any trustee in bankruptcy that may be appointed in respect of the Companies any and all amounts due to be paid to such person or the Companies' estates pursuant to the terms of the TIC Settlement.
5. 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 Companies, and any bankruptcy order issued pursuant to any such applications;

- (c) any assignment in bankruptcy made in respect of the Companies; and
- (d) the provisions of any federal or provincial statute

the approval of the TIC Settlement pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Companies and shall not be void or voidable by creditors of the Companies, 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.

6. The Monitor, the Companies, any trustee in bankruptcy that may be appointed in respect of the Companies 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 completing the TIC Settlement.

Professional Fees

7. The Monitor's accounts for fees and disbursements, as set out in the Report are hereby approved without the necessity of a formal passing of its accounts.
8. The accounts of the Monitor's legal counsel, Cassels Brock & Blackwell LLP, for their fees and disbursements, as set out in the Report are hereby approved without the necessity of a formal assessment of their accounts.
9. Service of this Order shall be deemed good and sufficient by:
 - (a) serving the same on the persons listed on the service list created in these proceedings;
 - (b) posting a copy of this Order on the Monitor's website at:
<https://mnpdebt.ca/en/corporate/Engagements/ventures-west-transport-limited-partnership>

and service on any other person is hereby dispensed with.

10. 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.

J.C.Q.B.A.