

COURT FILE NUMBER B201 – 719774
25-2719774
COURT COURT OF QUEEN'S BENCH OF ALBERTA IN BANKRUPTCY
JUDICIAL CENTRE CALGARY
MATTER



ENTERED

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL UNDER THE *BANKRUPTCY AND INSOLVENCY ACT*, RSC 1985, c B-3, AS AMENDED, OF GS E&R CANADA INC.

APPLICANT GS E&R CANADA INC.

DOCUMENT **ORDER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **STIKEMAN ELLIOTT LLP**
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Counsel for the Applicant, GS E&R Canada Inc.

DATE ON WHICH ORDER WAS PRONOUNCED: March 24, 2021

NAME OF JUDGE WHO MADE THIS ORDER: The Honourable Justice Mah

LOCATION OF HEARING: Edmonton Courthouse, via Webex

UPON the Application of GS E&R Canada Inc. (the “**Applicant**” or “**E&R CANADA**”) to extend the Initial Stay Period provided by the Notice of Intention to Make a Proposal under the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the “**BIA**”) filed by the Applicant on March 11, 2021 (the “**NOI**”) and for related relief (the “**Application**”);

AND UPON READING the Applicant’s Application; the NOI which provided a stay of proceedings to the Applicant for 30 days (the “**Initial Stay Period**”); the Affidavit of J. Park, sworn March 18,

2021; the Affidavit of Service of Laureen Larmour dated March 23, 2021; and the First Report of the Proposal Trustee dated March 18, 2021 (the “**Proposal Trustee’s First Report**”);

AND UPON hearing counsel for the Applicant and counsel for the Proposal Trustee;

IT IS HEREBY ORDERED THAT:

1. The time for delivery of the Application and supporting materials is hereby abridged and service is deemed to be good and sufficient;
2. The Initial Stay Period is hereby extended for an additional period of forty-five (45) days (i.e. until **May 25, 2021**);
3. The following professionals are hereby granted a priority charge over E&R CANADA’s present and after-acquired assets, property and undertakings (collectively, the “**Assets**”) to secure the payment of their respective fees and disbursements incurred in connection with these proceedings up to an amount of \$300,000: (i) E&R CANADA’s counsel; (ii) the Proposal Trustee; and (iii) the Proposal Trustee’s counsel (the “**Administration Charge**”);
4. The Applicant is granted a priority charge over E&R CANADA’s Assets securing the payment of the amounts for which E&R CANADA may be called upon to indemnify its directors and officers, acting in such capacity during the post-NOI period, when and if D&O insurance coverage is denied or insufficient, in an amount up to \$100,000 (the “**D&O Charge**”).
5. The priority ranking of the Charges described above (the “**Charges**”) shall be as follows:
 - (i) Administration Charge; and
 - (ii) D&O Charge.
6. The filing, registration or perfection of the Charges shall not be required, and the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.
7. The Charges shall constitute a charge on the Applicant’s Assets and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances and

claims of secured creditors, statutory or otherwise (collectively “**Encumbrances**”) in favour of any person.

8. Except as otherwise expressly provided for herein, or as may be approved by the Court, the Applicant shall not grant any Encumbrances over any Assets that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicant obtains the prior written consent of the beneficiaries of the Charges or further order of this Court.
9. The Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (the “**Chargees**”) thereunder shall not otherwise be limited or impaired in any way by:
 - (i) the pendency of these proceedings and the declarations of insolvency made in this Order;
 - (ii) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications;
 - (iii) the filing of any assignments for the general benefit of creditors made pursuant to the BIA;
 - (iv) the provisions of any federal or provincial statutes; or
 - (v) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) that binds the Applicant, and notwithstanding any provision to the contrary in any Agreement: (i) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of any documents in respect thereof shall create or be deemed to constitute a new breach by the Applicant of any Agreement to which it is a party; (ii) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and (iii) the payments made by the Applicant pursuant to this Order and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct or other challengeable or voidable transactions under any applicable law.

10. The sale and investment solicitation process (the “**SISP**”) as described in the Proposal Trustee’s First Report is approved.
11. Any interested Person may apply to this Court on notice to any other party likely to be affected for an order to allocate the Charges amongst the various Assets of the Applicant.
12. Any party to these proceedings may serve any court material in these proceedings by emailing a PDF or other electronic copy of such materials to counsel’s email addresses as recorded on the Service List to be maintained by the Proposal Trustee, and the Proposal Trustee shall post a copy of all prescribed materials on its website.
13. Any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.



Justice of the Court of Queen’s
Bench of Alberta