



105(a), 1507, 1521, 1525, and 1527 of title 11 of the United States Code (the “Bankruptcy Code”): authorizing the release of the Sales Tax Reserve in respect of the Potential Sales Tax Liability; and due and sufficient notice of the Motion having been provided in the manner set forth in the Motion; and it appearing that no other or further notice is necessary or appropriate; and the Court having held a hearing to consider the Monitor’s request for the relief set forth in the Motion; and no objections to the Motion having been filed or all such objections having been resolved or overruled; and the Court having found and determined that the relief sought in the Motion is consistent with the purposes of chapter 15 of the Bankruptcy Code; and the Court having reviewed and considered the Twenty-Third and Twenty-Fourth Report of the Monitor; and it appearing that the relief requested in the Motion is in the best interests of the Debtors and other parties in interest in these Chapter 15 Cases; and after due deliberation and sufficient cause appearing therefor,

**THE COURT FINDS AND CONCLUDES THAT:**

A. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and section 1501 of the Bankruptcy Code. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue is proper in this District pursuant to 28 U.S.C. § 1401(1).

B. On December 12, 2014, this Court entered the Sales Tax Order, which authorized the Monitor to set aside the Sales Tax Reserve in contemplation of settling any Potential Sales Tax Liability accrued and owing to any Taxing Authority where the Debtors conducted business and failed to pay sales tax.

C. In accordance with the Sales Tax Order, the Monitor reached out and mailed letters to the Taxing Authorities on or about March 13, 2015, requesting the Taxing Authorities to either accept the Monitor’s Tax Calculation or to submit a written objection to

such Calculations with support documentation by no later than April 13, 2015. As of October 30, 2015, the Monitor had not received any objections from the 34 Taxing Authorities that were owed \$0 for past sales tax liabilities and an additional 16 Taxing Authorities had either accepted their respective Tax Calculation as the balance owed to them or settled at amounts greater than their respective Tax Calculation, but equal to or lower than their Individual State Reserve Cap.

D. On or about October 30, 2015, the Monitor sent follow-up letters (the "Follow-Up Letters") to the nine remaining Taxing Authorities (the "Remaining Taxing Authorities"), which included a check equal to the respective Tax Calculations owed to each Taxing Authority. The Follow-Up Letters explained that by cashing the check, the respective Taxing Authority would be releasing the Debtors of any and all debts associated with the Potential Sales Tax Liability and would be accepting the payment in full and final satisfaction of any and all sales tax liability, including penalties and interest, of the Debtors due and owing to the respective Taxing Authorities. From this process, five of the Remaining Taxing Authorities cashed the check sent to them and the Monitor initiated discussions with the remaining four Taxing Authorities, who all concluded that the Debtors did not owe any sales tax to the respective Taxing Authorities.

E. The relief granted herein is necessary and appropriate, in the interests of the public and international comity, consistent with the public policy of the United States, warranted pursuant to sections 105(a), 1507, 1521, 1525, and 1527 of the Bankruptcy Code, and will not cause hardship to any party in interest that is not outweighed by the benefits of the relief granted herein.

F. The release of the Sales Tax Reserve and other relief granted through this Order, will in accordance with section 1507(b) of the Bankruptcy Code reasonably assure:

(i) the just treatment of all administrative claims against or interests in the Debtors' property; (ii) the protection of creditors still awaiting distributions under the CCAA Plan against prejudice and inconvenience in the processing of claims in the Canadian Proceeding; and (iii) the distribution of proceeds of the Debtors' property as set forth in the CCAA Plan, which is substantially in accordance with the order prescribed in the Bankruptcy Code.

**IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:**

1. The Motion is granted as set forth herein.
2. The Monitor and the Debtors have fulfilled all obligations in connection with the Sales Tax Liability Process and took all necessary and appropriate efforts and steps in connection with same. The Potential Sales Tax Liabilities that formed the basis for the Sales Tax Reserve have been resolved and the Debtors do not have any further liabilities in connection with the Potential Sales Tax Liability in the United States.
3. Each Taxing Authority in an Outstanding State shall, to the fullest extent provided in the CCAA Plan, the Sanction Order, the Sanction Recognition Order, the Sales Tax Order, and this Order be forever barred, estopped, and enjoined from asserting a claim in connection with the Potential Sales Tax Liability against the Releasees (including each of the Debtors, and as such term is defined in the Sanction Recognition Order) and the Releasees' property shall be forever discharged from any and all indebtedness, liability, or obligation with respect to any claim for Potential Sales Tax Liability and shall not be entitled to any further distribution under the CCAA Plan.
4. By entry of this Order, the Sales Tax Reserve is hereby released and the funds in the Sales Tax Reserve are available under the Administrative Costs Reserve that is


being held by the Monitor, on behalf of the Arctic Glacier Parties, to be used in accordance with the CCAA Plan.

5. Subject to the terms and conditions of the Claims Procedure Order and the Claims Procedure Recognition Order, under which the Monitor's and the Debtors' rights are fully preserved, nothing in this Order shall impair, prejudice, waive, or otherwise affect the rights of the Monitor to seek further assistance of this Court, including, but not limited to, through the commencement of proceedings in this Court pursuant to sections 502(c) and/or 505 of the Bankruptcy Code, in resolving any future dispute between a Taxing Authority and the Monitor regarding the settlement reached by the parties with regards to any Potential Sales Tax Liability.

6. The Debtors, the Monitor, and the CPS, as the case may be, are authorized and directed to take all steps and actions necessary or appropriate to implement the terms of this Order, and all such steps and actions are approved.

7. This Court shall retain jurisdiction with respect to all matters relating to the interpretation or implementation of this Order.

Dated: Wilmington, Delaware  
**DECEMBER 6**, 2016

  
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The Honorable Kevin Gross  
United States Bankruptcy Judge