

Clerk's stamp:

COURT FILE NUMBER	2001 06423
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANTS	IN THE MATTER OF THE <i>COMPANIES'</i> <i>CREDITORS ARRANGEMENT ACT</i> , R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF ENTREC CORPORATION, CAPSTAN HAULING LTD., ENTREC ALBERTA LTD., ENT CAPITAL CORP., ENTREC CRANES & HEAVY HAUL INC., ENTREC HOLDINGS INC., ENT OILFIELD GROUP LTD., and ENTREC SERVICES LTD.
DOCUMENT	<u>APPLICATION (AMENDED AND RESTATED INITIAL ORDER, APPROVAL OF SISF, APPROVAL OF KERP/KEIP)</u>
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	MILLER THOMSON LLP Barristers and Solicitors 2700, Commerce Place 10155-102 Street Edmonton, AB, Canada T5J 4G8 Phone: 780.429.1751 Fax: 780.424.5866 Lawyer's Name: Rick T.G. Reeson, Q.C. / Jeffrey Carhart / Asim Iqbal / Bryan A. Hosking Lawyer's Email: rreeson@millerthomson.com jcarhart@millerthomson.com aiqbal@millerthomson.com bhosking@millerthomson.com File No.: 144572.3

NOTICE TO RESPONDENT(S)

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

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

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

Date Monday, May 25, 2020

Time	3:00 p.m.
Where	Calgary Courts Centre, 601 – 5 th Street S.W., Calgary
Before Whom	The Honourable Justice B.E. Romaine

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

Remedy Claimed or Sought

1. The applicants, ENTREC Corporation (“**ENT Parent**”), Capstan Hauling Ltd. (“**Capstan**”), Entrec Alberta Ltd. (“**ENT Alberta**”), ENT Capital Corp. (“**ENT Capital**”), ENT Oilfield Group Ltd. (“**ENT Oilfield**”), Entrec Services Ltd. (“**ENT Services**”), Entrec Holdings Inc. (“**ENT Holdings**”), and ENTREC Cranes & Heavy Haul Inc. (“**ENT USA**”) (collectively the “**Applicants**” or “**ENTREC**”) are seeking the following Orders pursuant to the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36, as Amended (the “**CCAA**”), substantially in the form attached hereto as **Schedule “A”** (the “**Amended and Restated Initial Order**”) and substantially in the form attached hereto as **Schedule “B”** (the “**Stay Extension, KERP/KEIP and SISP Order**”).
2. As outlined in the Amended and Restated Initial Order attached hereto as Schedule “A”, the Applicants are seeking an order, *inter alia*:
 - (a) abridging the time for service of this Application and supporting materials to that actually given and deeming service of the Application and supporting documents to be good and sufficient;
 - (b) extending the Stay Period granted and defined in the Initial Order of the Honourable Madam Justice B.E. Romaine on May 15, 2020 (the “**Initial Order**”) to and including August 7, 2020, or such other date as this Court deems just;
 - (c) authorizing the Applicants to borrow from the Interim Lender an amount which shall not exceed \$30,000,000 unless permitted by further order of the Court;
 - (d) increasing the threshold limits provided for in paragraph 12(a) of the Initial Order regarding the disposal of redundant or non-material assets with respect to any one transaction to \$1,100,000 and the aggregate amount to \$5,000,000;
 - (e) reordering the priority of the Administration Charge, the Directors’ Charge, the proposed KERP/KEIP Charge (as defined below), the proposed Sales Agent Charge (as defined below), and the Interim Lender’s Charge (subject to the Carve Out as defined as the Initial Order) (collectively the “**Priority Charges**”);
 - (f) ordering that the Priority Charges shall rank in priority to all Encumbrances (as defined in the Initial Order); and
 - (g) granting such further and other relief as this Honourable Court deems just in the circumstances.
2. As outlined in the Stay Extension, KERP/KEIP and SISP Order attached hereto as Schedule “B”, the Applicants are seeking an order, *inter alia*:

- (a) approving a key employee retention and incentive plan (the “**KERP/KEIP**”) and granting a corresponding charge in the aggregate amount of \$1,500,000 on the Property of the Applicants as security of the amounts payable under the proposed KERP/KEIP (the “**KERP/KEIP Charge**”); and
 - (b) approving a sale and investment solicitation process (the “**SISP**”) and appointing Ernst & Young Orenda Corporate Finance Inc. (“**EY**”) and Sequeira Partners (“**Sequeira**”) as advisors (collectively the “**Sales Agent**”) to conduct the SISP, as well as the granting of a corresponding charge in the aggregate amount of \$1,000,000 to secure the compensation of the Sales Agent (the “**Sales Agent Charge**”) in accordance with the Engagement Letters (as defined in the *Second Stevens Affidavit*).
3. A Sealing Order with respect to Exhibits “B” and “C” (the “**Confidential Exhibits**”) of the Affidavit of John Stevens, sworn May 21, 2020 (the “**Second Stevens Affidavit**”).

Grounds for making this Application

- 4. On May 15, 2020, the Applicants were granted certain relief under the CCAA pursuant to the Initial Order granted by the Honourable Madam Justice B.E. Romaine.
- 5. Pursuant to the Initial Order, Alvarez & Marsal Canada Inc. was appointed monitor (the “**Monitor**”).

Amended and Restated Initial Order

6. The Initial Order provided for a Stay Period of 10 days up to and including May 25, 2020. Since that time, the Applicants have:
- (a) obtained provisional relief by commencing recognition proceedings under Chapter 15 of the US Bankruptcy Code (the “**US Proceedings**”);
 - (b) issued a press release advising stakeholders of the commencement of the within CCAA proceedings and the US Proceedings;
 - (c) notified US stakeholders of the US Proceedings (and by extension the within CCAA proceedings) through the use of a noticing agent retained by the Monitor,
 - (d) communicated directly with Wells Fargo Finance Corporation Canada (“**Wells Fargo**”) as agent (the “**Agent**”) for a syndicate of lenders (the “**Syndicate**”), who are the Applicants senior secured creditor;
 - (e) considered various steps to be taken within the CCAA proceedings in connection with the Applicants’ restructuring efforts;
 - (f) developed and negotiated with the Agent the terms of the proposed SISP;
 - (g) negotiated the form of engagement letters with the proposed Sales Agent;
 - (h) laid off certain non-essential employees;
 - (i) liaised with the Monitor; and

- (j) completed other ancillary matters in connection with the CCAA proceedings, the US Proceedings, and the Applicants' restructuring efforts.
- 7. The Applicants have acted, and are continuing to act, in good faith and with due diligence.
- 8. The Applicants are seeking an extension of the Stay Period until and including August 7, 2020, which will provide the Applicants with the necessary breathing space and appropriate time period to conduct the SISF, if granted by this Honourable Court.
- 9. ENTREC remains insolvent in accordance with the provisions of the CCAA. Should this Honourable Court not extend the Stay Period, the Applicants will be forced to cease operations immediately as they do not have the necessary cash flow to continue to operate.
- 10. In addition to the extension of the Stay Period being sought by the Applicants in the Amended and Restated Initial Order, the Applicants are seeking to increase the borrowing limit to \$30,000,000 under the interim financing facility authorized in the Initial Order (the "**Interim Financing Facility**"). Pursuant to the terms of the Initial Order, the Applicants were not permitted to borrow in excess of \$3,600,000 without further order of the Court. Should the Court extend the Stay Period, the Applicants will require further access to the Interim Financing Facility in order to finance ordinary course business operations as well as the within proceedings. Any amounts drawn on the Interim Financing Facility will be done pursuant to the Cash Flow Forecast, the RSA, and the terms of the Initial Order, and any amounts drawn will be done with the oversight of the Monitor and the approval of the Syndicate.
- 11. The Applicants have identified redundant or non-material assets ("**Non-Core Assets**") that they believe are in the best interests of the Applicants' stakeholders to sell and generate immediate liquidity. The sale of the Non-Core Assets is supported by the Monitor. An increase to the threshold levels is required as the value of certain of the Non-Core Assets exceeds the current single transaction threshold of \$500,000 and the anticipated total number of one-off sales will likely exceed the current aggregate limit of \$1,000,000. Accordingly, the Applicants request an increase the Non-Core Asset Sale Limits to \$1,100,000 for any single transaction and \$5,000,000 in the aggregate, to allow for the Applicants to facilitate the sale of Non-Core Assets without incurring the costs associated with returning to Court for approval of one-off sales. Any such sales will be done in consultation and with the approval of the Monitor and the Agent.
- 12. In the event that this Honourable Court grants the KERP/KEIP Charge and the Sales Agent Charge, the parties that are current beneficiaries of the Priority Charges have agreed (subject to the approval of the Court) upon a re-ordering of the priority afforded in the Initial Order.
- 13. The Applicants seek to elevate the Priority Charges (with the Interim Lender's Charge remaining subject to the Carve Out) over all Encumbrances as defined in the Initial Order. All parties who are likely to be affected by the elevation of the Priority Charges will be given notice of this Application.

Approval of the SISP, Retention of the Sales Agent, and the Sales Agent Charge

14. The Affidavit of John Stevens, sworn May 14, 2020 (the “**First Stevens Affidavit**”), provided that the Applicants’ main objective in commencing the within proceedings was to explore a formal sale and investment solicitation process. The Applicants, in consultation with the Monitor, the Syndicate, each of their respective legal counsel, as well as the proposed Sales Agent, have developed the terms of the SISP which the Applicants’ seek the Court’s approval.
15. If the Court approves the SISP, the Applicants will be able to effectively market ENTREC’s assets to identify potential purchasers in both the Canadian and US Jurisdictions.
16. The SISP is supported by the Monitor and the Agent, and is contemplated in the Restructuring Support Agreement (the “**RSA**”) entered into by the Applicants and the Syndicate.
17. In order to effectively conduct the SISP, and taking into consideration the size and complexity of ENTREC’s operations, the Applicants believe that it is necessary to appoint the proposed Sales Agent in order to maximize value and identify key parties who may wish to participate in the SISP.
18. To secure the services of the Sales Agent, the Applicants are seeking the proposed Sales Agent Charge to be secured against the property of ENTREC in priority to all other charges and encumbrances except for the Administration Charge, the Directors’ Charge, and the proposed KERP/KEIP Charge.
19. The Sales Agent Charge is supported by the Monitor and the Agent.

Granting of the KERP/KEIP and the KERP/KEIP Charge

20. The Applicants have identified five key employees (the “**Key Employees**”) who each play a critical role in the ongoing business operations of ENTREC. The Key Employees, who each hold the management and executive positions of ENTREC, have specific and specialized institutional knowledge that is unique to the Applicants’ operations. As such, the Applicants are seeking the approval of the KERP/KEIP and the granting of the KERP/KEIP Charge.
21. The intention of the Applicants to seek the KERP/KEIP and the KERP/KEIP charge was highlighted in the *First Stevens Affidavit*, and contemplated by and appended to the RSA.
22. The granting of the KERP/KEIP and the corresponding KERP/KEIP charge is crucial to ensuring that the Key Employees remain employed with ENTREC throughout the course of the CCAA proceedings. The incentives contained in the KERP/KEIP will seek to maximize the value of the Applicants to the direct benefit of its stakeholders. In the event that the Key Employees seek other employment during the within CCAA proceedings, it would be detrimental to the efforts of the Applicants to date.
23. The approval of the KERP/KEIP and the KERP/KEIP Charge is supported by the Monitor and the Syndicate.

Granting of Sealing Order

24. The Confidential Exhibits contain information of a commercial nature which, if disclosed to third parties, could jeopardize the proposed CCAA Proceedings, disclose confidentially negotiated commercial terms, and disseminate personal information and proposed milestones contained in a key employee retention plan and key employee incentive plan being sought before the Court. In the event that such information is disseminated to the public domain, the Applicants' efforts to market its assets and business operations could be hindered, and interested parties may use this information as an unfair advantage to other stakeholders. In addition, the dissemination of **Exhibit "C"** which contains the Engagement Letters executed by the Sales Agent could damage the Sales Advisors commercial interests in negotiating future mandates.

Affidavit or other Evidence to be used in Support of this Application

25. Affidavit of John Stevens, sworn May 14th, 2020;
26. Affidavit of John Stevens, sworn May 21st, 2020;
27. First Report of the Monitor, dated May 20th, 2020;
28. Such further and other material or evidence as counsel to the Applicants may advise, subject to the discretion of this Honourable Court.

Applicable Acts and Regulations:

29. *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended;
30. Alberta Rules of Court, Alta Reg. 124/2010 including Division 4 Part 6, and Rules 6.3, 6.4, and 6.28; and
31. Such further and other Acts and Regulations as counsel to the Applicants may advise

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, or another order might be given or other proceedings taken which the applicant(s) is/are entitled to without any further notice of them to you. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the 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) within a reasonable time before the application is to be heard or considered.

SCHEDULE "A"

Clerk's Stamp:



COURT FILE NUMBER 2001 06423

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE OF **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 ENTREC
CORPORATION, CAPSTAN HAULING LTD.,
ENTREC ALBERTA LTD., ENT CAPITAL
CORP., ENTREC CRANES & HEAVY HAUL
INC., ENTREC HOLDINGS INC., ENT OILFIELD
GROUP LTD. and ENTREC SERVICES LTD.

DOCUMENT **AMENDED AND RESTATED CCAA INITIAL**

CONTACT INFORMATION OF **ORDER**

PARTY FILING THIS DOCUMENT: MILLER THOMSON LLP
Barristers and Solicitors
2700, Commerce Place
10155-102 Street
Edmonton, AB, Canada T5J 4G8
Phone: 780.429.1751 Fax: 780.424.5866
Lawyer's Name:
Rick T.G. Reeson, Q.C. / Asim Iqbal / Bryan A.
Hosking

Lawyer's E-mail:
rreeson@millerthomson.com /
aiqbal@millerthomson.com /
bhosking@millerthomson.com

DATE ON WHICH ORDER WAS PRONOUNCED: May 15, 2020

NAME OF JUSTICE WHO MADE THIS ORDER: **B.E. Romaine**

LOCATION OF HEARING: Calgary, Alberta

UPON the application of ENTREC Corporation, Capstan Hauling Ltd., ENTREC Alberta Ltd., ENT Capital Corp., ENTREC Cranes & Heavy Haul Inc., ENTREC Holdings Inc., ENT Oilfield Group Ltd. and ENTREC Services Ltd. (collectively, the **"Applicants"**); **AND UPON** having read the Originating Application, the Affidavit of John Stevens sworn May 14, 2020 (the **"First Stevens Affidavit"**), filed, the Affidavit of John Stevens sworn May 21, 2020 (the **"Second Stevens Affidavit"**), filed, the Affidavit of Service of Clarice Sheck, filed, the Initial Order (the **"Initial Order"**) of this Court dated May 15, 2020 (the **"Initial Filing Date"**); **AND UPON** reading the consent of Alvarez & Marsal Canada Inc. (**"A&M"**) to act as Monitor of the Applicants (in such capacity, the **"Monitor"**); **AND UPON** being advised that the secured creditors who are likely to be affected by the charges created herein have been provided notice of this application; **AND UPON** being advised that Wells Fargo Capital Finance Corporation Canada (**"Wells Fargo"**), as agent for itself and a syndicate of lenders (collectively, the **"Syndicate"**) consents to the within Order pursuant to the terms of the Restructuring Support Agreement, a partially redacted copy of which is attached as **Exhibit "U"** to the First Stevens Affidavit (the **"RSA"**); **AND UPON** hearing counsel for the Applicants, counsel for Wells Fargo, and counsel for the Monitor; **AND UPON** reading the Pre-Filing Report of A&M dated May 14, 2020; **AND UPON** reading the First Report of the Monitor dated May 21, 2020;

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.

APPLICATION

2. The Applicants are companies to which the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the **"CCAA"**) applies.

PLAN OF ARRANGEMENT

3. Subject to the terms of the RSA, the Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (the **"Plan"**).

POSSESSION OF PROPERTY AND OPERATIONS

4. Subject to the terms of the RSA, the Applicants shall:
 - (a) remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Property**”);
 - (b) subject to further order of this Court, continue to carry on business in a manner consistent with the preservation of their business (the “**Business**”) and Property; and
 - (c) be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively “**Assistants**”) currently retained or employed by them, with liberty to retain such further Assistants as the Applicants deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.
5. Subject solely to paragraph 6 and no other provision of this Order, the Applicants shall be entitled to continue to utilize the central cash management system currently in place as described in the Stevens Affidavit or replace it with another substantially similar central cash management system acceptable to the Syndicate (the “**Cash Management System**”) and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.
6. Notwithstanding any other term of this Order, the Applicants are authorized and directed to utilize the Payroll Relief (as defined in the Stevens Affidavit) in accordance with and solely for the purposes authorized by the *Coronavirus Aid, Relief, and Economic Security*

Act (United States). Disbursements of the Payroll Relief shall be subject to the oversight of the Monitor. The Monitor will provide such reporting to the Syndicate with respect to the Payroll Relief in accordance with the terms of the RSA.

7. To the extent permitted by law and subject to and in accordance with the terms of the RSA, the Applicants shall be entitled but not required to make the following advances or payments of the following expenses, incurred prior to or after the Initial Filing Date:
 - (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the Initial Filing Date, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
 - (b) the reasonable fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges, including for periods prior to the Initial Filing Date; and
 - (c) with the consent of the Monitor, obligations owing for goods and services supplied to the Applicants prior to the Initial Filing Date if, in the opinion of the Applicants after consultation with the Monitor, the supplier or vendor of such goods or services is necessary for the operation or preservation of the Business or Property, provided that such payments shall not exceed \$750,000 in the aggregate without prior authorization of this Court.
8. Except as otherwise provided to the contrary herein and subject to the terms of the RSA, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:
 - (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
 - (b) payment for goods or services actually supplied to the Applicants following the Initial Filing Date.
9. The Applicants shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in Right of Canada or of any Province thereof or any other taxation authority that are required to be deducted from employees' wages, including, without limitation, amounts in respect of:

- (i) employment insurance,
- (ii) Canada Pension Plan, and
- (iv) income taxes,

but only where such statutory deemed trust amounts arise after the Initial Filing Date, or are not required to be remitted until after the Initial Filing Date, unless otherwise ordered by the Court;

- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the Initial Filing Date, or where such Sales Taxes were accrued or collected prior to the Initial Filing Date but not required to be remitted until on or after the Initial Filing Date; and
- (c) any amount payable to the Crown in Right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and that are attributable to or in respect of the carrying on of the Business by the Applicants.

- 10. Until such time as a real property lease is disclaimed or resiliated in accordance with the CCAA, the Applicants may pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable as rent to the landlord under the lease) based on the terms of existing lease arrangements or as otherwise may be negotiated by the Applicants from time to time for the period commencing from and including the Initial Filing Date ("**Rent**"), but shall not pay any rent in arrears.
- 11. Except as specifically permitted in this Order and subject to the terms of the RSA, the Applicants are hereby directed, until further order of this Court:

- (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of its creditors as of the Initial Filing Date;
- (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property;
- (c) not to grant credit or incur liabilities except in the ordinary course of the Business; and
- (d) to make all payments of principal, interest, fees and expenses to Wells Fargo under the RSA.

RESTRUCTURING

12. The Applicants shall, subject to the consent of Wells Fargo and such requirements as are imposed by the CCAA and the terms of the RSA, have the right to:

- (a) permanently or temporarily cease, downsize or shut down any portion of its business or operations and to dispose of redundant or non-material assets not exceeding \$1,100,000 in any one transaction or \$5,000,000 in the aggregate, provided that any sale that is either (i) in excess of the above thresholds, or (ii) in favour of a person related to any of the Applicants (within the meaning of section 36(5) of the CCAA), shall require authorization by this Court in accordance with section 36 of the CCAA;
- (b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate on such terms as may be agreed upon between the Applicants and such employee;
- (c) disclaim, in whole or in part, with the prior consent of the Monitor or further Order of the Court, their arrangements or agreements of any nature whatsoever with whomsoever, whether oral or written, as the Applicants deem appropriate, in accordance with section 32 of the CCAA; and
- (d) pursue all avenues of refinancing of their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing or sale transaction,

each of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the “**Restructuring**”).

13. The Applicants shall provide each of the relevant landlords with notice of the Applicants' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal. If the landlord disputes the Applicants' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicants, or by further order of this Court upon application by the Applicants on at least two (2) days' notice to such landlord and any such secured creditors. If the Applicants disclaim the lease governing such leased premises in accordance with section 32 of the CCAA, the Applicants shall not be required to pay Rent under such lease pending resolution of any such dispute other than Rent payable for the notice period provided for in section 32(5) of the CCAA, and the disclaimer or rescission of the lease shall be without prejudice to the Applicant's claim to the fixtures in dispute.
14. If a notice of disclaimer is delivered pursuant to section 32 of the CCAA, then:
 - (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants and the Monitor 24 hours' prior written notice; and
 - (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the applicable Applicant in respect of such lease or leased premises and such landlord shall be entitled to notify the Applicants and Monitor of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

15. Until and including August 7, 2020, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court (each, a "**Proceeding**") shall

be commenced or continued against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, except with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further order of this Court.

16. Wells Fargo is an unaffected creditor in these CCAA proceedings and is not subject to the stay of proceedings or other limitations of creditors rights herein ordered. Nothing in this Order shall prevent Wells Fargo from, on prior notice to the Applicants, the Monitor and the Service List, enforcing its security under or in connection with the ABL Facility (as defined in the Stevens Affidavit) (the "**Syndicate Security**") against the Property of the Applicants.

NO EXERCISE OF RIGHTS OR REMEDIES

17. Subject to paragraphs 5 and 16 of this Order, during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**"), whether judicial or extra-judicial, statutory or non-statutory against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, provided that nothing in this Order shall:
 - (a) empower the Applicants to carry on any business that the Applicants are not lawfully entitled to carry on;
 - (b) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by section 11.1 of the CCAA;
 - (c) prevent the filing of any registration to preserve or perfect a security interest;
 - (d) prevent the registration of a claim for lien; or
 - (e) exempt the Applicants from compliance with statutory or regulatory provisions relating to health, safety or the environment.
18. Nothing in this Order shall prevent any party from taking an action against one or more of the Applicants where such an action must be taken in order to comply with statutory time

limitations in order to preserve their rights at law, provided that no further steps shall be taken by such party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Monitor, the Applicants and Wells Fargo forthwith.

NO INTERFERENCE WITH RIGHTS

19. Subject to paragraphs 5 and 16 of this Order, during the Stay Period, no person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicants (or any one Applicant), except with the written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

20. Subject to paragraphs 5 and 16 of this Order, during the Stay Period, all Persons having:
- (a) statutory or regulatory mandates for the supply of goods and/or services; or
 - (b) oral or written agreements or arrangements with the Applicants, including without limitation all computer software, communication, cloud computing and other data services, centralized banking services, payroll services, repair and maintenance services, utility wire-lifting services, parts suppliers, fuel providers, insurance, transportation services and permit providers, utility or other services to the Business or the Applicants

are hereby restrained until further order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the Applicants or exercising any other remedy provided under such agreements or arrangements. The Applicants shall be entitled to the continued use of the applicable Applicant's current premises, telephone numbers, facsimile numbers, internet addresses, cloud data storage and domain names, provided in each case that the usual prices or charges for all such goods or services received after the Initial Filing Date are paid by the Applicants in accordance with the payment practices of the Applicants, or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

21. Nothing in this Order has the effect of prohibiting a person from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the Initial Filing Date, nor shall any person, other than the Interim Lender (as defined herein) where applicable, be under any obligation on or after the Initial Filing Date to advance or re-advance any monies or otherwise extend any credit to the Applicants.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

22. During the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA and paragraph 17 of this Order, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of any of the Applicants with respect to any claim against the directors or officers that arose before the Initial Filing Date and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

23. Each Applicant shall indemnify its directors and officers against obligations and liabilities that they may incur as directors and or officers of the applicable Applicant after the commencement of the within proceedings except to the extent that, with respect to any officer or director, the obligation was incurred as a result of the director's or officer's gross negligence or wilful misconduct.
24. The directors and officers of each of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of \$1,500,000, as security for the indemnity provided in paragraph 23 of this Order. The Directors' Charge shall have the priority set out in paragraphs 40 and 42 herein.
25. Notwithstanding any language in any applicable insurance policy to the contrary:

- (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge; and
- (b) the Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 23 of this Order.

APPOINTMENT OF MONITOR

- 26. A&M is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the Property, Business, and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their respective shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.
- 27. The Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:
 - (a) monitor the Applicants' receipts and disbursements, Business and dealings with the Property;
 - (b) assist the Applicants and their counsel in the development of a sale and investment solicitation process;
 - (c) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein and immediately report to the Court if in the opinion of the Monitor there is a material adverse change in the financial circumstances of the Applicants;
 - (d) assist the Applicants, to the extent required by the Applicants, in its dissemination to the Interim Lender and its counsel, financial and other information as contemplated in the RSA;

- (e) advise the Applicants in its preparation of the Applicants' cash flow statements and reporting required by the Interim Lender, which information shall be reviewed with the Monitor and delivered to the Interim Lender and its financial advisors and counsel on a periodic basis in accordance with the terms of the RSA;
 - (f) advise the Applicants in its development of the Plan and any amendments to the Plan;
 - (g) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
 - (h) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form and other financial documents of the Applicants to the extent that is necessary to adequately assess the Property, Business, and financial affairs of the Applicants or to perform its duties arising under this Order;
 - (i) be at liberty to engage independent legal counsel, noticing agents or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
 - (j) hold funds in trust or in escrow, to the extent required, to facilitate settlements between the Applicants and any other Person; and
 - (k) perform such other duties as are required by this Order or by this Court from time to time.
28. The Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, or by inadvertence in relation to the due exercise of powers or performance of duties under this Order, be deemed to have taken or maintain possession or control of the Business or Property, or any part thereof. Nothing in this Order shall require the Monitor to occupy or to take control, care, charge, possession or management of any of the Property that might be environmentally contaminated, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal or waste or other contamination, provided however that this Order does not exempt the Monitor from

any duty to report or make disclosure imposed by applicable environmental legislation or regulation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order be deemed to be in possession of any of the Property within the meaning of any federal or provincial environmental legislation.

29. The Monitor shall provide any creditor of the Applicants, including the Interim Lender, with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.
30. In addition to the rights and protections afforded the Monitor under the CCAA or as an Officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.
31. The Monitor, counsel to the Monitor, and counsel to the Applicants shall be paid their reasonable fees and disbursements (including any pre-filing fees and disbursements related to these CCAA proceedings), in each case at their standard rates and charges, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants on a bi-weekly basis and, in addition, the Applicants are hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Applicants, retainers in accordance with such parties' retainer agreements, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.
32. The Monitor and its legal counsel shall pass their accounts from time to time.
33. Canadian and US counsel to each of the Monitor, the Applicants and the Applicants' board of directors (the "**Administration Professionals**"), as security for the professional fees and disbursements incurred both before and after the granting of this Order, shall be entitled to the benefits of and are hereby granted a charge (the "**Administration Charge**")

on the Property, which charge shall not exceed an aggregate amount of \$750,000, as security for their professional fees and disbursements incurred at the normal rates and charges of the Administration Professionals, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 40 and 42 hereof.

INTERIM FINANCING

34. The Applicants are hereby authorized and empowered to obtain and borrow under a revolving credit facility from the Syndicate (the **"Interim Lender"**) in order to finance the Applicants' working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$30,000,000 unless permitted by further order of this Court.
35. Such credit facility shall be on the terms and subject to the conditions set forth in the RSA and the Definitive Documents (as defined herein).
36. The Applicants are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs, and security documents, guarantees and other definitive documents (collectively, including the RSA, the **"Definitive Documents"**), as contemplated by the RSA or as may be reasonably required by the Interim Lender pursuant to the terms thereof, and the Applicants are hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities, and obligations to the Interim Lender under and pursuant to the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.
37. The Interim Lender shall be entitled to the benefits of and is hereby granted a charge (the **"Interim Lender's Charge"**) on the Property to secure all obligations under the Definitive Documents incurred on or after the Initial Filing Date which charge shall not exceed the aggregate amount advanced on or after the Initial Filing Date under the Definitive Documents. The Interim Lender's Charge shall not secure any obligation existing before the Initial Filing Date. The Interim Lender's Charge shall have the priority set out in paragraphs 40 and 42 hereof, *provided that*, the Interim Lender's Charge shall not rank in priority to the encumbrances listed in Schedule "A" hereto and such other encumbrances in respect of which Wells Fargo has contractually agreed to subordinate the priority of the Syndicate Security relative to such encumbrances (the **"Carve Out"**).

38. Notwithstanding any other provision of this Order:
- (a) the Interim Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the Interim Lender's Charge or any of the Definitive Documents;
 - (b) upon the occurrence of an event of default under the Definitive Documents or the Interim Lender's Charge, the Interim Lender may, subject to the provisions of the Definitive Documents with respect to the giving of notice, and in accordance with the Definitive Documents and the Interim Lender's Charge, as applicable, exercise any and all of its rights and remedies against the Applicants or the Property under or pursuant to the Definitive Documents, and the Interim Lender's Charge, including without limitation, to cease making advances to the Applicants and set off and/or consolidate any amounts owing by the Interim Lender to the Applicants against the obligations of the Applicants to the Interim Lender under the Definitive Documents or the Interim Lender's Charge, to make demand, accelerate payment, and give other notices; provided that the Interim Lender must apply to this Court on five (5) business days' prior written notice (which may include the service of materials in connection with such an application to this Court, which period may run contemporaneously with any notice required pursuant to the RSA) to the Service List, solely to enforce against or exercise any other rights and remedies with respect to any Applicant or any of the Property, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicants and for the appointment of a trustee in bankruptcy of any Applicant; and
 - (c) the foregoing rights and remedies of the Interim Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or the Property.
39. The Interim Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicants under the CCAA, or any proposal filed by the Applicants under the *Bankruptcy and Insolvency Act* of Canada (the "**BIA**"), with respect to any advances made under the Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES

40. The priorities of the the Administration Charge, the Directors' Charge, the KERP/KEIP Charge, the Sales Agent Charge and the Interim Lender's Charge, as among them, shall be as follows:
- First – Administration Charge (to the maximum amount of \$750,000);
 - Second – Directors' Charge (to the maximum amount of \$1,500,000);
 - Third – KERP/KEIP Charge (to a maximum of \$1,500,000);
 - Fourth – Sales Agent Charge (as defined in the Order of this Court dated May 25, 2020 granted in these proceedings) (to maximum of \$1,000,000); and
 - Fifth – Interim Lender's Charge (subect to the Carve Out).
41. The filing, registration or perfection of the Directors' Charge, the Administration Charge, the KERP/KEIP Charge, the Sales Agent Charge or the Interim Lender's Charge (collectively, 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.
42. Each of the Administration Charge, the Directors' Charge, the KERP/KEIP Charge, the Sales Agent Charge and the Interim Lender's Charge (all as constituted and defined herein) shall constitute a charge on the Property and subject always to section 34(11) of the CCAA 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; *provided that*, the Interim Lender's Charge shall be subject to the Carve Out.
43. Except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicants also obtains the prior written consent of the Monitor, the Interim Lender and the beneficiaries of the Administration Charge, the Directors' Charge, the KERP/KEIP Charge and the Sales Agent Charge (collectively, the “**Chargees**”), or further order of this Court.

44. The Administration Charge, the Directors' Charge, the KERP/KEIP Charge, the Sales Agent Charge, the Definitive Documents and the Interim Lender's Charge shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees and/or the Interim Lender thereunder shall not otherwise be limited or impaired in any way by:
- (a) the pendency of these proceedings and the declarations of insolvency made in this Order;
 - (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications;
 - (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA;
 - (d) the provisions of any federal or provincial statutes; or
 - (e) 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 Applicants, 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, including the Definitive Documents, shall create or be deemed to constitute a new breach by the Applicants 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, the Applicants entering into the Definitive Documents or the execution, delivery or performance of the Definitive Documents; and
 - (iii) the payments made by the Applicants pursuant to this Order, including the Definitive Documents, 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.

ALLOCATION

45. Any interested Person may apply to this Court on notice to any other party likely to be affected for an order to allocate the Administration Charge, the Directors' Charge, the KERP/KEIP Charge, the Sales Agent Charge and the Interim Lender's Charge amongst the various assets comprising the Property.

SERVICE AND NOTICE

46. The Monitor shall (i) without delay, publish in the *Globe and Mail* (National Edition) a notice containing the information prescribed under the CCAA; (ii) within five (5) days after the Initial Filing Date (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against any Applicant of more than \$1,000 and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with section 23(1)(a) of the CCAA and the regulations made thereunder.
47. The Monitor shall establish a case website in respect of the within proceedings at: <http://www.alvarezandmarsal.com/entrec> (the "**Monitor's Website**").
48. Any person that wishes to be served with any application and other materials in these proceedings must deliver to the Applicants and the Monitor by way of ordinary mail, courier, personal delivery or electronic transmission, a request to be added to the service list (the "**Service List**") to be maintained by the Monitor. The Monitor shall post and maintain an up-to-date form of the Service List on the Monitor's Website.
49. Any party to these proceedings may serve any court materials 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 from time to time, and the Monitor shall post a copy of all prescribed materials on the Monitor's Website.
50. The Applicants and, where applicable, the Monitor are at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the Applicants' creditors or other interested parties at their respective addresses last shown on the records of the Applicants and that any such

service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

51. Service or distribution in accordance with this Order shall be deemed to be in satisfaction of a legal or judicial obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 8100-2-175 (SOR/DORS).

GENERAL

52. The Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
53. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Monitor will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence. The Monitor's reports shall be filed by the Court Clerk notwithstanding that they do not include an original signature.
54. Nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager or a trustee in bankruptcy of the Applicants, the Business or the Property.
55. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or in any other foreign jurisdiction, to give effect to this Order and to assist the Applicants, 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 Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order. The Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside of Canada, including but not limited to acting as the foreign representative of the Applicants to apply to the United States Bankruptcy Court for relief pursuant to Chapter 15 of the United States Bankruptcy

Code, as amended, and to act as foreign representative in respect of any such proceedings and ancillary relief in respect thereto, and to take such other steps as may be authorized by the Court.

56. Each of the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and that the Monitor is authorized and empowered to act as a representative in respect of the within proceeding for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
57. Any interested party (including the Applicants and the Monitor) 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.
58. This Order and all of its provisions are effective as of 12:01 a.m. Mountain Daylight Time on the date of this Order.

Justice of the Court of Queen's Bench of Alberta

SCHEDULE "A"

LIST OF COLLATERAL SUBJECT TO
CARVE OUT WITH RESPECT TO INTERIM LENDER’S CHARGE

1. ENTREC Corporation

Ref. No.	Secured Party(ies)	Debtor(s)	Assets
1.	Element Fleet Management Inc.	ENTREC Corporation Capstan Hauling Ltd.	1FT8W3BT9GEB63754 - 2016 FORD F350 XLT 4X4 CREW 1FT8W3BT0GEB63755 - 2016 FORD F350 XLT 4X4 CREW 1FT8W3BT2GEB63756 - 2016 FORD F350 XLT 4X4 CREW 1FT8W3BT4GEB63757 - 2016 FORD F350 4X4 XLT CREW 1FT8W3BT0GEB65330 - 2016 FORD F350 XLT 4X4 CREW 1FT8W3BT4GEB65332 - 2016 FORD F350 XLT 4X4 CREW 1FTFW1EG1JKE41212 - 2018 FORD F150 XLT 4x4 SUPERCREW 1FTFW1EG3JKE41213 - 2018 FORD F150 XLT 4x4 SUPERCREW 1FTFW1EG5JKE41214 - 2018 FORD F150 XLT 4x4 SUPERCREW 1FTFW1EG7JKE41215 - 2018 FORD F150 XLT 4x4 SUPERCREW 1FT7W2B62KEC37587 - 2019 FORD F250 XLT 4X4 SD CREW CAB 1FT7W2B67KEC37584 - 2019 FORD F250 XLT 4X4 SD CREW CAB 1FT7W2B69KEC37585 - 2019 FORD F250 XLT 4X4 SD CREW CAB 1FT7W2B60KEC37586 - 2019 FORD F250 XLT 4X4 SD CREW CAB 1FT8W4DT0KEC37588 - 2019 FORD F450 XLT 4X4 SD CREW CAB 1FT8W4DT2KEC37589 - 2019 FORD F450 XLT 4X4 SD CREW CAB

Ref. No.	Secured Party(ies)	Debtor(s)	Assets
2.	Wells Fargo Equipment Finance Company	ENTREC Corporation	All photocopiers, multifunction devices, printers, production printers, fax machines, projectors, video conferencing, interactive whiteboards, servers, and software manufactured, distributed, or sold by Ricoh Canada Inc. which are financed by the Secured Party
3.	Emkay Canada Leasing Corporation	ENTREC Corporation	3C6UD5DLXCG111248 2012 DODGE 2500 CREW 3C6UD5DL7CG232934 2012 DODGE 2500 CREW 3C63D3HL2CG271330 2012 DODGE RAM 3500 1FD0W5HT6CEC59007 2012 FORD F550 CHASS 1FD0W5HT7CED02091 2012 FORD F550 CHASS 1FD0W5HT6CEC52106 2012 FORD F550 CHASS
4.	Edmonton Kenworth Ltd	ENTREC Corporation Capstan Hauling Ltd.	1XKCP4TX4FR974243 2015 KENWORTH C500 MV 1XKCP4TX6FR974244 2015 KENWORTH C500 1NKCX4TX0FR975867 2015 KENWORTH C500 1XKDD40X2JJ993785 2018 KENWORTH T800 C/W 2015 MANITEX 4596T CRANE, S/N: 216786 C/W 2015 MANITEX 4596T CRANE, S/N: 216788 C/W 2015 WELDCO WHL45TC100 CRANE, S/N: 3W55523-1 C/W 2018 TULSA RN65 WINCH, S/N: 20-0791-00010
5.	Edmonton Kenworth Ltd	ENT Oilfield Group Ltd. ENTREC Corporation	1NKCX4TX8KR945722 2019 KENWORTH C500 1NKCX4TX0FR975867 2015 KENWORTH C500 C/W WELDCO WHL45TC100 CRANE S/N: 3W57815-1 AND CRANE BOOM S/N: 3W57765-1 C/W WELDCO WHL45TC100 CRANE, S/N: 3W55523-1

Ref. No.	Secured Party(ies)	Debtor(s)	Assets
6.	Mi-Jack Canada, Inc.	ENTREC Corporation	Rental of 2015 Broderson Model IC-400-3A Serial #15560400
7.	Equipment Sales & Services Limited	ENTREC Corporation ENTREC Services Ltd. ENTREC Cranes & Heavy Haul Inc.	1F9T2K96XKL028158 2019 Link-Belt HTC 86110 1N9G62A38K1012248 2019 Nelson CBC-30RT BOOM DOLY 1F9T2K968KL028157 2019 Link-Belt HTC 86110 1N9G62A3XK1012249 2019 Nelson CBC-30RT BOOM DOLY
8.	Myshak Equipment Ltd.	ENTREC Corporation	WG0PST069D0061030 2013 GOLDHOFER PST/SL-E6 SPMT WG0PST069D0061031 2013 GOLDHOFER PST/SL-E6 SPMT WG0PST069D0061032 2013 GOLDHOFER PST/SL-E6 SPMT WG0PST069D0061033 2013 GOLDHOFER PST/SL-E6 SPMT 2 X SPMT POWER PACKS

2. ENT Oilfield Group Ltd.

Ref. No.	Secured Party(ies)	Debtor(s)	Assets
1.	Edmonton Kenworth Ltd	ENT Oilfield Group Ltd. ENTREC Corporation	1NKCX4TX8KR945722 2019 KENWORTH C500 1NKCX4TX0FR975867 2015 KENWORTH C500 C/W WELDCO WHL45TC100 CRANE S/N: 3W57815-1 AND CRANE BOOM S/N: 3W57765-1 C/W WELDCO WHL45TC100 CRANE, S/N: 3W55523-1

3. Capstan Hauling Ltd.

Ref. No.	Secured Party(ies)	Debtor(s)	Assets
1.	Element Fleet Management Inc.	ENTREC Corporation Capstan Hauling Ltd.	1FT8W3BT9GEB63754 - 2016 FORD F350 XLT 4X4 CREW 1FT8W3BT0GEB63755 - 2016 FORD F350 XLT 4X4 CREW 1FT8W3BT2GEB63756 - 2016 FORD F350 XLT 4X4 CREW 1FT8W3BT4GEB63757 - 2016 FORD F350 4X4 XLT CREW 1FT8W3BT0GEB65330 - 2016 FORD F350 XLT 4X4 CREW 1FT8W3BT4GEB65332 - 2016 FORD F350 XLT 4X4 CREW 1FTFW1EG1JKE41212 - 2018 FORD F150 XLT 4x4 SUPERCREW 1FTFW1EG3JKE41213 - 2018 FORD F150 XLT 4x4 SUPERCREW 1FTFW1EG5JKE41214 - 2018 FORD F150 XLT 4x4 SUPERCREW 1FTFW1EG7JKE41215 - 2018 FORD F150 XLT 4x4 SUPERCREW

Ref. No.	Secured Party(ies)	Debtor(s)	Assets
			1FT7W2B62KEC37587 - 2019 FORD F250 XLT 4X4 SD CREW CAB 1FT7W2B67KEC37584 - 2019 FORD F250 XLT 4X4 SD CREW CAB 1FT7W2B69KEC37585 - 2019 FORD F250 XLT 4X4 SD CREW CAB 1FT7W2B60KEC37586 - 2019 FORD F250 XLT 4X4 SD CREW CAB 1FT8W4DT0KEC37588 - 2019 FORD F450 XLT 4X4 SD CREW CAB 1FT8W4DT2KEC37589 - 2019 FORD F450 XLT 4X4 SD CREW CAB
2.	Edmonton Kenworth Ltd	ENTREC Corporation Capstan Hauling Ltd.	1XKCP4TX4FR974243 2015 KENWORTH C500 MV 1XKCP4TX6FR974244 2015 KENWORTH C500 1NKCX4TX0FR975867 2015 KENWORTH C500 1XKDD40X2JJ993785 2018 KENWORTH T800 C/W 2015 MANITEX 4596T CRANE, S/N: 216786 C/W 2015 MANITEX 4596T CRANE, S/N: 216788 C/W 2015 WELDCO WHL45TC100 CRANE, S/N: 3W55523-1 C/W 2018 TULSA RN65 WINCH, S/N: 20-0791-00010
3.	Meridian Onecap Credit Corp.	Capstan Hauling Ltd.	Computer hardware leased to the Debtor by the Secured Party

4. Entrec Crane & Heavy Haul Inc.¹

Ref. No.	Secured Party(ies)	Debtor(s)	Assets
1.	Liftsource Machinery, Ltd.	ENTREC Cranes And Heavy Haul, Inc.	2014 GROVE MODEL GMK5250L HYDRAULIC ALL TERRAIN CRANE WITH SERIAL NUMBER 52505005 AND VIN: W09250550EWG12005
2.	Equipment Sales & Services Limited	ENTREC Corporation ENTREC Services Ltd. ENTREC Cranes & Heavy Haul Inc.	1F9T2K96XKL028158 2019 Link-Belt HTC 86110 1N9G62A38K1012248 2019 Nelson CBC-30RT BOOM DOLY 1F9T2K968KL028157 2019 Link-Belt HTC 86110 1N9G62A3XK1012249 2019 Nelson CBC-30RT BOOM DOLY

5. ENTREC Services Ltd.

Ref. No.	Secured Party(ies)	Debtor(s)	Assets
1.	Equipment Sales & Services Limited	ENTREC Corporation ENTREC Services Ltd. ENTREC Cranes & Heavy Haul Inc.	1F9T2K96XKL028158 2019 Link-Belt HTC 86110 1N9G62A38K1012248 2019 Nelson CBC-30RT BOOM DOLY 1F9T2K968KL028157 2019 Link-Belt HTC 86110 1N9G62A3XK1012249 2019 Nelson CBC-30RT BOOM DOLY

¹ Note: Element registration removed as it is **not** against Entrec Crane & Heavy Haul Inc. – it is against the discontinued corporation Entrec Cranes & Heavy Haul (Western) Ltd.

SCHEDULE "B"

Clerk's Stamp:



COURT FILE NUMBER
COURT
JUDICIAL CENTRE OF

2001 06423
COURT OF QUEEN'S BENCH OF ALBERTA
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 ENTREC
CORPORATION, CAPSTAN HAULING LTD.,
ENTREC ALBERTA LTD., ENT CAPITAL
CORP., ENTREC CRANES & HEAVY HAUL
INC., ENTREC HOLDINGS INC., ENT OILFIELD
GROUP LTD. and ENTREC SERVICES LTD.

DOCUMENT

**ORDER (Re: Amended and Restated Initial
Order, KERP/KEIP, SISP, Sales Agent
Retention)**

CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT:

MILLER THOMSON LLP
Barristers and Solicitors
2700, Commerce Place
10155-102 Street
Edmonton, AB, Canada T5J 4G8
Phone: 780.429.1751 Fax: 780.424.5866
Lawyer's Name:
Rick T.G. Reeson, Q.C. / Asim Iqbal / Bryan A.
Hosking

Lawyer's E-mail:
rreeson@millerthomson.com /
aiqbal@millerthomson.com /
bhosking@millerthomson.com

DATE ON WHICH ORDER WAS PRONOUNCED:

May 25, 2020

NAME OF JUSTICE WHO MADE THIS ORDER:

Madam Justice B.E. Romaine

LOCATION OF HEARING:

Calgary, Alberta

UPON the application of ENTREC Corporation, Capstan Hauling Ltd., ENTREC Alberta Ltd., ENT Capital Corp., ENTREC Cranes & Heavy Haul Inc., ENTREC Holdings Inc., ENT Oilfield Group Ltd. and ENTREC Services Ltd. (collectively, the **"Applicants"**); **AND UPON** having read the Notice of Application, the Affidavit of John Stevens sworn May 14, 2020 (the **"First Stevens Affidavit"**), filed, the Affidavit of John Stevens sworn May 21, 2020 (the **"Second Stevens Affidavit"**), filed, the Initial Order (the **"Initial Order"**) of this Court dated May 15, 2020 (the **"Initial Filing Date"**), filed, and the Affidavit of Service of Clarice Scheck, filed; **AND UPON** being advised that Wells Fargo Capital Finance Corporation Canada (**"Wells Fargo"**), as agent for itself and a syndicate of lenders (collectively, the **"Syndicate"**) consents to the within Order; **AND UPON** hearing counsel for the Applicants, counsel for Wells Fargo, and counsel for the Monitor; **AND UPON** reading the First Report of the Alvarez & Marsal Canada Inc. in its capacity as Court-appointed Monitor of the Applicants (the **"Monitor"**) dated May 21, 2020 (the **"Monitor's First Report"**);

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.

INTERPRETATION

2. Unless otherwise stated, capitalized terms used but not otherwise defined in this Order shall have the meaning ascribed to such terms in the Amended and Restated Initial Order (as defined below).

AMENDED AND RESTATED INITIAL ORDER

3. The Initial Order, reflecting the Initial Filing Date, shall be amended and restated as set out in **Schedule "A"** hereto (the **"Amended and Restated Initial Order"**). The Applicants are authorized and directed to file a clean copy of the Amended and Restated Initial Order with this Court. The Monitor shall post a clean copy of the filed Amended and Restated Initial Order, together with a blackline against the Initial Order, on the Monitor's Website as soon as reasonably practicable.

APPROVAL OF KERP/KEIP

4. The key employee retention and incentive plan (the “**KERP/KEIP**”) described in the First and Second Stevens Affidavit and attached as Exhibit “B” to the Second Stevens Affidavit (which exhibit is the subject of a sealing order of this Court) is approved. The Applicants are authorized to perform their obligations under the KERP/KEIP, including making all payments to the Key Employees (as defined in the Second Stevens Affidavit) of amounts due and owing under the KERP/KEIP in accordance with the terms and conditions of the KERP/KEIP.
5. The Applicants are authorized to deliver such additional documents as may be necessary to give effect to the KERP/KEIP, subject to prior approval of the Monitor and Wells Fargo or as may be ordered by this Court.
6. The Key Employees (as defined in the Second Stevens Affidavit) shall be entitled to the benefit of and are granted a charge (the “**KERP/KEIP Charge**”) on the Property, which charge shall not exceed an aggregate amount of \$1,500,000, as security for the obligations of the Applicants under the KERP/KEIP. The KERP/KEIP Charge shall have the priority set out in the Amended and Restated Initial Order.

APPROVAL OF SISP AND APPOINTMENT OF SALES AGENT

7. The sale and investment solicitation process attached as **Schedule “B”** hereto (the “**SISP**”) is approved. The Applicants, the Monitor and the Sales Agent (defined below), in consultation with or with the consent of (as applicable) Wells Fargo, are authorized and directed to perform their respective obligations and to do all things reasonably necessary to perform their obligations thereunder.
8. Ernst & Young Orenda Corporate Finance Inc. and Sequiera Partners (together the “**Sales Agent**”) are jointly appointed as Sales Agent to carry out the SISP in cooperation with the Applicants and the Monitor. The Engagement Letters (as defined in the Second Stevens Affidavit) are approved, and the Applicants are authorized and directed to execute the Engagement Letters. The Applicants are authorized and directed to pay the fees and expenses (including, without limitation, work fees, hourly fees, success fees and liquidation fees) of the Sales Agent in accordance with the terms of their respective Engagement Letters (collectively, the “**Sales Agent Fees**”). Claims of the Sales Agent

under the applicable Engagement Letter shall not be compromised under any plan of arrangement under the *Companies' Creditors Arrangement Act* or proposal under the *Bankruptcy and Insolvency Act*.

9. The Sales Agent, as security for the Sales Agent Fees but excluding any amounts payable to the Sales Agent in respect of any indemnity obligations under the Engagement Letters or otherwise, shall be entitled to the benefits of and are granted a charge (the "**Sales Agent Charge**") on the Property (as defined in the Amended and Restated Initial Order), to a maximum of \$1,000,000. The Sales Agent Charge shall have the priority set out in the Amended and Restated Initial Order.
10. Each of the Monitor and the Sales Agent, and their respective, affiliates, partners, directors, employees, agents, advisors and controlling persons shall have no liability with respect to any and all losses, claims, damages or liabilities, of any nature or kind whatsoever, to any person in connection with or as a result of the SISP, except to the extent such losses, claims, damages or liabilities result from the fraud, gross negligence or wilful misconduct of the Monitor or the Sales Agent, as applicable, in performing its obligations under the SISP (as determined by this Court).
11. In connection with the SISP and pursuant to sections 20 and 22 of the *Personal Information Protection Act* (Alberta) or 7(3)(c) of the *Personal Information and Electronic Documents Act* (Canada), as applicable, the Applicants, the Sales Agent and the Monitor are authorized and permitted to disclose personal information of identifiable individuals to prospective bidders and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more potential transactions (each, a "**Transaction**"). Each prospective bidder to whom such information is disclosed shall maintain and protect the privacy of such information and shall limit the use of such information to its evaluation of the transaction, and if it does not complete a Transaction, shall: (a) return all such information to the Applicants, the Sales Agent or the Monitor, as applicable; (b) destroy all such information; or (c) in the case of such information that is electronically stored, destroy all such information to the extent it is reasonably practical to do so. The purchaser of the Business or any Property (each as defined in the Amended and Restated Initial Order) shall be entitled to continue to use the personal information provided to it, and related to the Business or Property purchased, in a manner that is in all material respects identical to the prior use of such information by the Applicants, and shall

return all other personal information to the Applicants, the Sales Agent or the Monitor, as applicable, or ensure that other personal information is destroyed.

12. This Order and all of its provisions are effective as of 12:01 a.m. Mountain Daylight Time on the date of this Order.

Justice of the Court of Queen's Bench of Alberta

SCHEDULE "A"

Clerk's Stamp:



COURT FILE NUMBER
COURT
JUDICIAL CENTRE OF

2001 06423
COURT OF QUEEN'S BENCH OF ALBERTA
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 ENTREC
CORPORATION, CAPSTAN HAULING LTD.,
ENTREC ALBERTA LTD., ENT CAPITAL
CORP., ENTREC CRANES & HEAVY HAUL
INC., ENTREC HOLDINGS INC., ENT OILFIELD
GROUP LTD. and ENTREC SERVICES LTD.

DOCUMENT

**AMENDED AND RESTATED CCAA INITIAL
ORDER**

CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT:

MILLER THOMSON LLP
Barristers and Solicitors
2700, Commerce Place
10155-102 Street
Edmonton, AB, Canada T5J 4G8
Phone: 780.429.1751 Fax: 780.424.5866
Lawyer's Name:
Rick T.G. Reeson, Q.C. / Asim Iqbal / Bryan A.
Hosking

Lawyer's E-mail:
rreeson@millerthomson.com /
aiqbal@millerthomson.com /
bhosking@millerthomson.com

DATE ON WHICH ORDER WAS PRONOUNCED: May 15, 2020
NAME OF JUSTICE WHO MADE THIS ORDER: **B.E. Romaine**
LOCATION OF HEARING: Calgary, Alberta

UPON the application of ENTREC Corporation, Capstan Hauling Ltd., ENTREC Alberta Ltd., ENT Capital Corp., ENTREC Cranes & Heavy Haul Inc., ENTREC Holdings Inc., ENT Oilfield Group Ltd. and ENTREC Services Ltd. (collectively, the “**Applicants**”); **AND UPON** having read the Originating Application, the Affidavit of John Stevens sworn May 14, 2020 (the “**First Stevens Affidavit**”), filed, the Affidavit of John Stevens sworn May [insert], 2020 (the “**Second Stevens Affidavit**”), filed, the Affidavit of Service of [●], filed, the Initial Order (the “**Initial Order**”) of this Court dated May 15, 2020 (the “**Initial Filing Date**”); **AND UPON** reading the consent of Alvarez & Marsal Canada Inc. (“**A&M**”) to act as Monitor of the Applicants (in such capacity, the “**Monitor**”); **AND UPON** being advised that the secured creditors who are likely to be affected by the charges created herein have been provided notice of this application; **AND UPON** being advised that Wells Fargo Capital Finance Corporation Canada (“**Wells Fargo**”), as agent for itself and a syndicate of lenders (collectively, the “**Syndicate**”) consents to the within Order pursuant to the terms of the Restructuring Support Agreement, a partially redacted copy of which is attached as **Exhibit “U”** to the First Stevens Affidavit (the “**RSA**”); **AND UPON** hearing counsel for the Applicants, counsel for Wells Fargo, and counsel for the Monitor; **AND UPON** reading the Pre-Filing Report of A&M dated May 14, 2020; **AND UPON** reading the First Report of the Monitor dated May [insert], 2020;

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.

APPLICATION

2. The Applicants are companies to which the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the “**CCAA**”) applies.

PLAN OF ARRANGEMENT

3. Subject to the terms of the RSA, the Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (the “**Plan**”).

POSSESSION OF PROPERTY AND OPERATIONS

4. Subject to the terms of the RSA, the Applicants shall:
 - (a) remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Property**”);
 - (b) subject to further order of this Court, continue to carry on business in a manner consistent with the preservation of their business (the “**Business**”) and Property; and
 - (c) be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively “**Assistants**”) currently retained or employed by them, with liberty to retain such further Assistants as the Applicants deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.
5. Subject solely to paragraph 6 and no other provision of this Order, the Applicants shall be entitled to continue to utilize the central cash management system currently in place as described in the Stevens Affidavit or replace it with another substantially similar central cash management system acceptable to the Syndicate (the “**Cash Management System**”) and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.
6. Notwithstanding any other term of this Order, the Applicants are authorized and directed to utilize the Payroll Relief (as defined in the Stevens Affidavit) in accordance with and solely for the purposes authorized by the *Coronavirus Aid, Relief, and Economic Security*

Act (United States). Disbursements of the Payroll Relief shall be subject to the oversight of the Monitor. The Monitor will provide such reporting to the Syndicate with respect to the Payroll Relief in accordance with the terms of the RSA.

7. To the extent permitted by law and subject to and in accordance with the terms of the RSA, the Applicants shall be entitled but not required to make the following advances or payments of the following expenses, incurred prior to or after the Initial Filing Date:
 - (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the Initial Filing Date, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
 - (b) the reasonable fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges, including for periods prior to the Initial Filing Date; and
 - (c) with the consent of the Monitor, obligations owing for goods and services supplied to the Applicants prior to the Initial Filing Date if, in the opinion of the Applicants after consultation with the Monitor, the supplier or vendor of such goods or services is necessary for the operation or preservation of the Business or Property, provided that such payments shall not exceed \$750,000 in the aggregate without prior authorization of this Court.
8. Except as otherwise provided to the contrary herein and subject to the terms of the RSA, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:
 - (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
 - (b) payment for goods or services actually supplied to the Applicants following the Initial Filing Date.
9. The Applicants shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in Right of Canada or of any Province thereof or any other taxation authority that are required to be deducted from employees' wages, including, without limitation, amounts in respect of:

- (i) employment insurance,
- (ii) Canada Pension Plan, and
- (iv) income taxes,

but only where such statutory deemed trust amounts arise after the Initial Filing Date, or are not required to be remitted until after the Initial Filing Date, unless otherwise ordered by the Court;

- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the Initial Filing Date, or where such Sales Taxes were accrued or collected prior to the Initial Filing Date but not required to be remitted until on or after the Initial Filing Date; and
- (c) any amount payable to the Crown in Right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and that are attributable to or in respect of the carrying on of the Business by the Applicants.

- 10. Until such time as a real property lease is disclaimed or resiliated in accordance with the CCAA, the Applicants may pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable as rent to the landlord under the lease) based on the terms of existing lease arrangements or as otherwise may be negotiated by the Applicants from time to time for the period commencing from and including the Initial Filing Date ("**Rent**"), but shall not pay any rent in arrears.
- 11. Except as specifically permitted in this Order and subject to the terms of the RSA, the Applicants are hereby directed, until further order of this Court:

- (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of its creditors as of the Initial Filing Date;
- (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property;
- (c) not to grant credit or incur liabilities except in the ordinary course of the Business; and
- (d) to make all payments of principal, interest, fees and expenses to Wells Fargo under the RSA.

RESTRUCTURING

12. The Applicants shall, subject to the consent of Wells Fargo and such requirements as are imposed by the CCAA and the terms of the RSA, have the right to:
- (a) permanently or temporarily cease, downsize or shut down any portion of its business or operations and to dispose of redundant or non-material assets not exceeding \$1,100,000 in any one transaction or \$5,000,000 in the aggregate, provided that any sale that is either (i) in excess of the above thresholds, or (ii) in favour of a person related to any of the Applicants (within the meaning of section 36(5) of the CCAA), shall require authorization by this Court in accordance with section 36 of the CCAA;
 - (b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate on such terms as may be agreed upon between the Applicants and such employee;
 - (c) disclaim, in whole or in part, with the prior consent of the Monitor or further Order of the Court, their arrangements or agreements of any nature whatsoever with whomsoever, whether oral or written, as the Applicants deem appropriate, in accordance with section 32 of the CCAA; and
 - (d) pursue all avenues of refinancing of their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing or sale transaction,

each of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the “**Restructuring**”).

13. The Applicants shall provide each of the relevant landlords with notice of the Applicants' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal. If the landlord disputes the Applicants' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicants, or by further order of this Court upon application by the Applicants on at least two (2) days' notice to such landlord and any such secured creditors. If the Applicants disclaim the lease governing such leased premises in accordance with section 32 of the CCAA, the Applicants shall not be required to pay Rent under such lease pending resolution of any such dispute other than Rent payable for the notice period provided for in section 32(5) of the CCAA, and the disclaimer or rescission of the lease shall be without prejudice to the Applicant's claim to the fixtures in dispute.
14. If a notice of disclaimer is delivered pursuant to section 32 of the CCAA, then:
 - (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants and the Monitor 24 hours' prior written notice; and
 - (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the applicable Applicant in respect of such lease or leased premises and such landlord shall be entitled to notify the Applicants and Monitor of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

15. Until and including August 7, 2020, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court (each, a "**Proceeding**") shall

be commenced or continued against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, except with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further order of this Court.

16. Wells Fargo is an unaffected creditor in these CCAA proceedings and is not subject to the stay of proceedings or other limitations of creditors rights herein ordered. Nothing in this Order shall prevent Wells Fargo from, on prior notice to the Applicants, the Monitor and the Service List, enforcing its security under or in connection with the ABL Facility (as defined in the Stevens Affidavit) (the “**Syndicate Security**”) against the Property of the Applicants.

NO EXERCISE OF RIGHTS OR REMEDIES

17. Subject to paragraphs 5 and 16 of this Order, during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”), whether judicial or extra-judicial, statutory or non-statutory against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, provided that nothing in this Order shall:
 - (a) empower the Applicants to carry on any business that the Applicants are not lawfully entitled to carry on;
 - (b) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by section 11.1 of the CCAA;
 - (c) prevent the filing of any registration to preserve or perfect a security interest;
 - (d) prevent the registration of a claim for lien; or
 - (e) exempt the Applicants from compliance with statutory or regulatory provisions relating to health, safety or the environment.
18. Nothing in this Order shall prevent any party from taking an action against one or more of the Applicants where such an action must be taken in order to comply with statutory time

limitations in order to preserve their rights at law, provided that no further steps shall be taken by such party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Monitor, the Applicants and Wells Fargo forthwith.

NO INTERFERENCE WITH RIGHTS

19. Subject to paragraphs 5 and 16 of this Order, during the Stay Period, no person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicants (or any one Applicant), except with the written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

20. Subject to paragraphs 5 and 16 of this Order, during the Stay Period, all Persons having:
- (a) statutory or regulatory mandates for the supply of goods and/or services; or
 - (b) oral or written agreements or arrangements with the Applicants, including without limitation all computer software, communication, cloud computing and other data services, centralized banking services, payroll services, repair and maintenance services, utility wire-lifting services, parts suppliers, fuel providers, insurance, transportation services and permit providers, utility or other services to the Business or the Applicants

are hereby restrained until further order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the Applicants or exercising any other remedy provided under such agreements or arrangements. The Applicants shall be entitled to the continued use of the applicable Applicant's current premises, telephone numbers, facsimile numbers, internet addresses, cloud data storage and domain names, provided in each case that the usual prices or charges for all such goods or services received after the Initial Filing Date are paid by the Applicants in accordance with the payment practices of the Applicants, or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

21. Nothing in this Order has the effect of prohibiting a person from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the Initial Filing Date, nor shall any person, other than the Interim Lender (as defined herein) where applicable, be under any obligation on or after the Initial Filing Date to advance or re-advance any monies or otherwise extend any credit to the Applicants.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

22. During the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA and paragraph 17 of this Order, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of any of the Applicants with respect to any claim against the directors or officers that arose before the Initial Filing Date and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

23. Each Applicant shall indemnify its directors and officers against obligations and liabilities that they may incur as directors and or officers of the applicable Applicant after the commencement of the within proceedings except to the extent that, with respect to any officer or director, the obligation was incurred as a result of the director's or officer's gross negligence or wilful misconduct.
24. The directors and officers of each of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of \$1,500,000, as security for the indemnity provided in paragraph 23 of this Order. The Directors' Charge shall have the priority set out in paragraphs 40 and 42 herein.
25. Notwithstanding any language in any applicable insurance policy to the contrary:

- (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge; and
- (b) the Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 23 of this Order.

APPOINTMENT OF MONITOR

- 26. A&M is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the Property, Business, and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their respective shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.
- 27. The Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:
 - (a) monitor the Applicants' receipts and disbursements, Business and dealings with the Property;
 - (b) assist the Applicants and their counsel in the development of a sale and investment solicitation process;
 - (c) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein and immediately report to the Court if in the opinion of the Monitor there is a material adverse change in the financial circumstances of the Applicants;
 - (d) assist the Applicants, to the extent required by the Applicants, in its dissemination to the Interim Lender and its counsel, financial and other information as contemplated in the RSA;

- (e) advise the Applicants in its preparation of the Applicants' cash flow statements and reporting required by the Interim Lender, which information shall be reviewed with the Monitor and delivered to the Interim Lender and its financial advisors and counsel on a periodic basis in accordance with the terms of the RSA;
 - (f) advise the Applicants in its development of the Plan and any amendments to the Plan;
 - (g) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
 - (h) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form and other financial documents of the Applicants to the extent that is necessary to adequately assess the Property, Business, and financial affairs of the Applicants or to perform its duties arising under this Order;
 - (i) be at liberty to engage independent legal counsel, noticing agents or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
 - (j) hold funds in trust or in escrow, to the extent required, to facilitate settlements between the Applicants and any other Person; and
 - (k) perform such other duties as are required by this Order or by this Court from time to time.
28. The Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, or by inadvertence in relation to the due exercise of powers or performance of duties under this Order, be deemed to have taken or maintain possession or control of the Business or Property, or any part thereof. Nothing in this Order shall require the Monitor to occupy or to take control, care, charge, possession or management of any of the Property that might be environmentally contaminated, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal or waste or other contamination, provided however that this Order does not exempt the Monitor from

any duty to report or make disclosure imposed by applicable environmental legislation or regulation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order be deemed to be in possession of any of the Property within the meaning of any federal or provincial environmental legislation.

29. The Monitor shall provide any creditor of the Applicants, including the Interim Lender, with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.
30. In addition to the rights and protections afforded the Monitor under the CCAA or as an Officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.
31. The Monitor, counsel to the Monitor, and counsel to the Applicants shall be paid their reasonable fees and disbursements (including any pre-filing fees and disbursements related to these CCAA proceedings), in each case at their standard rates and charges, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants on a bi-weekly basis and, in addition, the Applicants are hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Applicants, retainers in accordance with such parties' retainer agreements, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.
32. The Monitor and its legal counsel shall pass their accounts from time to time.
33. Canadian and US counsel to each of the Monitor, the Applicants and the Applicants' board of directors (the "**Administration Professionals**"), as security for the professional fees and disbursements incurred both before and after the granting of this Order, shall be entitled to the benefits of and are hereby granted a charge (the "**Administration Charge**")

on the Property, which charge shall not exceed an aggregate amount of \$750,000, as security for their professional fees and disbursements incurred at the normal rates and charges of the Administration Professionals, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 40 and 42 hereof.

INTERIM FINANCING

34. The Applicants are hereby authorized and empowered to obtain and borrow under a revolving credit facility from the Syndicate (the **"Interim Lender"**) in order to finance the Applicants' working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$30,000,000 unless permitted by further order of this Court.
35. Such credit facility shall be on the terms and subject to the conditions set forth in the RSA and the Definitive Documents (as defined herein).
36. The Applicants are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs, and security documents, guarantees and other definitive documents (collectively, including the RSA, the **"Definitive Documents"**), as contemplated by the RSA or as may be reasonably required by the Interim Lender pursuant to the terms thereof, and the Applicants are hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities, and obligations to the Interim Lender under and pursuant to the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.
37. The Interim Lender shall be entitled to the benefits of and is hereby granted a charge (the **"Interim Lender's Charge"**) on the Property to secure all obligations under the Definitive Documents incurred on or after the Initial Filing Date which charge shall not exceed the aggregate amount advanced on or after the Initial Filing Date under the Definitive Documents. The Interim Lender's Charge shall not secure any obligation existing before the Initial Filing Date. The Interim Lender's Charge shall have the priority set out in paragraphs 40 and 42 hereof, *provided that*, the Interim Lender's Charge shall not rank in priority to the encumbrances listed in Schedule "A" hereto and such other encumbrances in respect of which Wells Fargo has contractually agreed to subordinate the priority of the Syndicate Security relative to such encumbrances (the **"Carve Out"**).

38. Notwithstanding any other provision of this Order:
- (a) the Interim Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the Interim Lender's Charge or any of the Definitive Documents;
 - (b) upon the occurrence of an event of default under the Definitive Documents or the Interim Lender's Charge, the Interim Lender may, subject to the provisions of the Definitive Documents with respect to the giving of notice, and in accordance with the Definitive Documents and the Interim Lender's Charge, as applicable, exercise any and all of its rights and remedies against the Applicants or the Property under or pursuant to the Definitive Documents, and the Interim Lender's Charge, including without limitation, to cease making advances to the Applicants and set off and/or consolidate any amounts owing by the Interim Lender to the Applicants against the obligations of the Applicants to the Interim Lender under the Definitive Documents or the Interim Lender's Charge, to make demand, accelerate payment, and give other notices; provided that the Interim Lender must apply to this Court on five (5) business days' prior written notice (which may include the service of materials in connection with such an application to this Court, which period may run contemporaneously with any notice required pursuant to the RSA) to the Service List, solely to enforce against or exercise any other rights and remedies with respect to any Applicant or any of the Property, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicants and for the appointment of a trustee in bankruptcy of any Applicant; and
 - (c) the foregoing rights and remedies of the Interim Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or the Property.
39. The Interim Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicants under the CCAA, or any proposal filed by the Applicants under the *Bankruptcy and Insolvency Act* of Canada (the "**BIA**"), with respect to any advances made under the Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES

40. The priorities of the the Administration Charge, the Directors' Charge, the KERP/KEIP Charge, the Sales Agent Charge and the Interim Lender's Charge, as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$750,000);

Second – Directors' Charge (to the maximum amount of \$1,500,000);

Third – KERP/KEIP Charge (to a maximum of \$1,500,000);

Fourth – Sales Agent Charge (as defined in the Order of this Court dated May 25, 2020 granted in these proceedings) (to maximum of \$1,000,000); and

Fifth – Interim Lender's Charge (subect to the Carve Out).

41. The filing, registration or perfection of the Directors' Charge, the Administration Charge, the KERP/KEIP Charge, the Sales Agent Charge or the Interim Lender's Charge (collectively, 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.
42. Each of the Administration Charge, the Directors' Charge, the KERP/KEIP Charge, the Sales Agent Charge and the Interim Lender's Charge (all as constituted and defined herein) shall constitute a charge on the Property and subject always to section 34(11) of the CCAA 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; *provided that*, the Interim Lender's Charge shall be subject to the Carve Out.
43. Except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicants also obtains the prior written consent of the Monitor, the Interim Lender and the beneficiaries of the Administration Charge, the Directors' Charge, the KERP/KEIP Charge and the Sales Agent Charge (collectively, the “**Chargees**”), or further order of this Court.

44. The Administration Charge, the Directors' Charge, the KERP/KEIP Charge, the Sales Agent Charge, the Definitive Documents and the Interim Lender's Charge shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees and/or the Interim Lender thereunder shall not otherwise be limited or impaired in any way by:
- (a) the pendency of these proceedings and the declarations of insolvency made in this Order;
 - (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications;
 - (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA;
 - (d) the provisions of any federal or provincial statutes; or
 - (e) 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 Applicants, 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, including the Definitive Documents, shall create or be deemed to constitute a new breach by the Applicants 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, the Applicants entering into the Definitive Documents or the execution, delivery or performance of the Definitive Documents; and
 - (iii) the payments made by the Applicants pursuant to this Order, including the Definitive Documents, 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.

ALLOCATION

45. Any interested Person may apply to this Court on notice to any other party likely to be affected for an order to allocate the Administration Charge, the Directors' Charge, the KERP/KEIP Charge, the Sales Agent Charge and the Interim Lender's Charge amongst the various assets comprising the Property.

SERVICE AND NOTICE

46. The Monitor shall (i) without delay, publish in the *Globe and Mail* (National Edition) a notice containing the information prescribed under the CCAA; (ii) within five (5) days after the Initial Filing Date (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against any Applicant of more than \$1,000 and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with section 23(1)(a) of the CCAA and the regulations made thereunder.
47. The Monitor shall establish a case website in respect of the within proceedings at: <http://www.alvarezandmarsal.com/entrec> (the "**Monitor's Website**").
48. Any person that wishes to be served with any application and other materials in these proceedings must deliver to the Applicants and the Monitor by way of ordinary mail, courier, personal delivery or electronic transmission, a request to be added to the service list (the "**Service List**") to be maintained by the Monitor. The Monitor shall post and maintain an up-to-date form of the Service List on the Monitor's Website.
49. Any party to these proceedings may serve any court materials 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 from time to time, and the Monitor shall post a copy of all prescribed materials on the Monitor's Website.
50. The Applicants and, where applicable, the Monitor are at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the Applicants' creditors or other interested parties at their respective addresses last shown on the records of the Applicants and that any such

service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

51. Service or distribution in accordance with this Order shall be deemed to be in satisfaction of a legal or judicial obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 8100-2-175 (SOR/DORS).

GENERAL

52. The Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
53. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Monitor will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence. The Monitor's reports shall be filed by the Court Clerk notwithstanding that they do not include an original signature.
54. Nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager or a trustee in bankruptcy of the Applicants, the Business or the Property.
55. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or in any other foreign jurisdiction, to give effect to this Order and to assist the Applicants, 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 Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order. The Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside of Canada, including but not limited to acting as the foreign representative of the Applicants to apply to the United States Bankruptcy Court for relief pursuant to Chapter 15 of the United States Bankruptcy

Code, as amended, and to act as foreign representative in respect of any such proceedings and ancillary relief in respect thereto, and to take such other steps as may be authorized by the Court.

56. Each of the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and that the Monitor is authorized and empowered to act as a representative in respect of the within proceeding for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
57. Any interested party (including the Applicants and the Monitor) 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.
58. This Order and all of its provisions are effective as of 12:01 a.m. Mountain Daylight Time on the date of this Order.

Justice of the Court of Queen's Bench of Alberta

SCHEDULE "A"

LIST OF COLLATERAL SUBJECT TO
CARVE OUT WITH RESPECT TO INTERIM LENDER’S CHARGE

1. ENTREC Corporation

Ref. No.	Secured Party(ies)	Debtor(s)	Assets
1.	Element Fleet Management Inc.	ENTREC Corporation Capstan Hauling Ltd.	1FT8W3BT9GEB63754 - 2016 FORD F350 XLT 4X4 CREW 1FT8W3BT0GEB63755 - 2016 FORD F350 XLT 4X4 CREW 1FT8W3BT2GEB63756 - 2016 FORD F350 XLT 4X4 CREW 1FT8W3BT4GEB63757 - 2016 FORD F350 4X4 XLT CREW 1FT8W3BT0GEB65330 - 2016 FORD F350 XLT 4X4 CREW 1FT8W3BT4GEB65332 - 2016 FORD F350 XLT 4X4 CREW 1FTFW1EG1JKE41212 - 2018 FORD F150 XLT 4x4 SUPERCREW 1FTFW1EG3JKE41213 - 2018 FORD F150 XLT 4x4 SUPERCREW 1FTFW1EG5JKE41214 - 2018 FORD F150 XLT 4x4 SUPERCREW 1FTFW1EG7JKE41215 - 2018 FORD F150 XLT 4x4 SUPERCREW 1FT7W2B62KEC37587 - 2019 FORD F250 XLT 4X4 SD CREW CAB 1FT7W2B67KEC37584 - 2019 FORD F250 XLT 4X4 SD CREW CAB 1FT7W2B69KEC37585 - 2019 FORD F250 XLT 4X4 SD CREW CAB 1FT7W2B60KEC37586 - 2019 FORD F250 XLT 4X4 SD CREW CAB 1FT8W4DT0KEC37588 - 2019 FORD F450 XLT 4X4 SD CREW CAB 1FT8W4DT2KEC37589 - 2019 FORD F450 XLT 4X4 SD CREW CAB

Ref. No.	Secured Party(ies)	Debtor(s)	Assets
2.	Wells Fargo Equipment Finance Company	ENTREC Corporation	All photocopiers, multifunction devices, printers, production printers, fax machines, projectors, video conferencing, interactive whiteboards, servers, and software manufactured, distributed, or sold by Ricoh Canada Inc. which are financed by the Secured Party
3.	Emkay Canada Leasing Corporation	ENTREC Corporation	3C6UD5DLXCG111248 2012 DODGE 2500 CREW 3C6UD5DL7CG232934 2012 DODGE 2500 CREW 3C63D3HL2CG271330 2012 DODGE RAM 3500 1FD0W5HT6CEC59007 2012 FORD F550 CHASS 1FD0W5HT7CED02091 2012 FORD F550 CHASS 1FD0W5HT6CEC52106 2012 FORD F550 CHASS
4.	Edmonton Kenworth Ltd	ENTREC Corporation Capstan Hauling Ltd.	1XKCP4TX4FR974243 2015 KENWORTH C500 MV 1XKCP4TX6FR974244 2015 KENWORTH C500 1NKCX4TX0FR975867 2015 KENWORTH C500 1XKDD40X2JJ993785 2018 KENWORTH T800 C/W 2015 MANITEX 4596T CRANE, S/N: 216786 C/W 2015 MANITEX 4596T CRANE, S/N: 216788 C/W 2015 WELDCO WHL45TC100 CRANE, S/N: 3W55523-1 C/W 2018 TULSA RN65 WINCH, S/N: 20-0791-00010
5.	Edmonton Kenworth Ltd	ENT Oilfield Group Ltd. ENTREC Corporation	1NKCX4TX8KR945722 2019 KENWORTH C500 1NKCX4TX0FR975867 2015 KENWORTH C500 C/W WELDCO WHL45TC100 CRANE S/N: 3W57815-1 AND CRANE BOOM S/N: 3W57765-1 C/W WELDCO WHL45TC100 CRANE, S/N: 3W55523-1

Ref. No.	Secured Party(ies)	Debtor(s)	Assets
6.	Mi-Jack Canada, Inc.	ENTREC Corporation	Rental of 2015 Broderson Model IC-400-3A Serial #15560400
7.	Equipment Sales & Services Limited	ENTREC Corporation ENTREC Services Ltd. ENTREC Cranes & Heavy Haul Inc.	1F9T2K96XKL028158 2019 Link-Belt HTC 86110 1N9G62A38K1012248 2019 Nelson CBC-30RT BOOM DOLY 1F9T2K968KL028157 2019 Link-Belt HTC 86110 1N9G62A3XK1012249 2019 Nelson CBC-30RT BOOM DOLY
8.	Myshak Equipment Ltd.	ENTREC Corporation	WG0PST069D0061030 2013 GOLDHOFER PST/SL-E6 SPMT WG0PST069D0061031 2013 GOLDHOFER PST/SL-E6 SPMT WG0PST069D0061032 2013 GOLDHOFER PST/SL-E6 SPMT WG0PST069D0061033 2013 GOLDHOFER PST/SL-E6 SPMT 2 X SPMT POWER PACKS

2. ENT Oilfield Group Ltd.

Ref. No.	Secured Party(ies)	Debtor(s)	Assets
1.	Edmonton Kenworth Ltd	ENT Oilfield Group Ltd. ENTREC Corporation	1NKCX4TX8KR945722 2019 KENWORTH C500 1NKCX4TX0FR975867 2015 KENWORTH C500 C/W WELDCO WHL45TC100 CRANE S/N: 3W57815-1 AND CRANE BOOM S/N: 3W57765-1 C/W WELDCO WHL45TC100 CRANE, S/N: 3W55523-1

3. Capstan Hauling Ltd.

Ref. No.	Secured Party(ies)	Debtor(s)	Assets
1.	Element Fleet Management Inc.	ENTREC Corporation Capstan Hauling Ltd.	1FT8W3BT9GEB63754 - 2016 FORD F350 XLT 4X4 CREW 1FT8W3BT0GEB63755 - 2016 FORD F350 XLT 4X4 CREW 1FT8W3BT2GEB63756 - 2016 FORD F350 XLT 4X4 CREW 1FT8W3BT4GEB63757 - 2016 FORD F350 4X4 XLT CREW 1FT8W3BT0GEB65330 - 2016 FORD F350 XLT 4X4 CREW 1FT8W3BT4GEB65332 - 2016 FORD F350 XLT 4X4 CREW 1FTFW1EG1JKE41212 - 2018 FORD F150 XLT 4x4 SUPERCREW 1FTFW1EG3JKE41213 - 2018 FORD F150 XLT 4x4 SUPERCREW 1FTFW1EG5JKE41214 - 2018 FORD F150 XLT 4x4 SUPERCREW 1FTFW1EG7JKE41215 - 2018 FORD F150 XLT 4x4 SUPERCREW

Ref. No.	Secured Party(ies)	Debtor(s)	Assets
			1FT7W2B62KEC37587 - 2019 FORD F250 XLT 4X4 SD CREW CAB 1FT7W2B67KEC37584 - 2019 FORD F250 XLT 4X4 SD CREW CAB 1FT7W2B69KEC37585 - 2019 FORD F250 XLT 4X4 SD CREW CAB 1FT7W2B60KEC37586 - 2019 FORD F250 XLT 4X4 SD CREW CAB 1FT8W4DT0KEC37588 - 2019 FORD F450 XLT 4X4 SD CREW CAB 1FT8W4DT2KEC37589 - 2019 FORD F450 XLT 4X4 SD CREW CAB
2.	Edmonton Kenworth Ltd	ENTREC Corporation Capstan Hauling Ltd.	1XKCP4TX4FR974243 2015 KENWORTH C500 MV 1XKCP4TX6FR974244 2015 KENWORTH C500 1NKCX4TX0FR975867 2015 KENWORTH C500 1XKDD40X2JJ993785 2018 KENWORTH T800 C/W 2015 MANITEX 4596T CRANE, S/N: 216786 C/W 2015 MANITEX 4596T CRANE, S/N: 216788 C/W 2015 WELDCO WHL45TC100 CRANE, S/N: 3W55523-1 C/W 2018 TULSA RN65 WINCH, S/N: 20-0791-00010
3.	Meridian Onecap Credit Corp.	Capstan Hauling Ltd.	Computer hardware leased to the Debtor by the Secured Party

4. Entrec Crane & Heavy Haul Inc.¹

Ref. No.	Secured Party(ies)	Debtor(s)	Assets
1.	Liftsource Machinery, Ltd.	ENTREC Cranes And Heavy Haul, Inc.	2014 GROVE MODEL GMK5250L HYDRAULIC ALL TERRAIN CRANE WITH SERIAL NUMBER 52505005 AND VIN: W09250550EWG12005
2.	Equipment Sales & Services Limited	ENTREC Corporation ENTREC Services Ltd. ENTREC Cranes & Heavy Haul Inc.	1F9T2K96XKL028158 2019 Link-Belt HTC 86110 1N9G62A38K1012248 2019 Nelson CBC-30RT BOOM DOLY 1F9T2K968KL028157 2019 Link-Belt HTC 86110 1N9G62A3XK1012249 2019 Nelson CBC-30RT BOOM DOLY

5. ENTREC Services Ltd.

Ref. No.	Secured Party(ies)	Debtor(s)	Assets
1.	Equipment Sales & Services Limited	ENTREC Corporation ENTREC Services Ltd. ENTREC Cranes & Heavy Haul Inc.	1F9T2K96XKL028158 2019 Link-Belt HTC 86110 1N9G62A38K1012248 2019 Nelson CBC-30RT BOOM DOLY 1F9T2K968KL028157 2019 Link-Belt HTC 86110 1N9G62A3XK1012249 2019 Nelson CBC-30RT BOOM DOLY

¹ Note: Element registration removed as it is **not** against Entrec Crane & Heavy Haul Inc. – it is against the discontinued corporation Entrec Cranes & Heavy Haul (Western) Ltd.

**SALES AND INVESTMENT SOLICITATION PROCESS
ENTREC CORPORATION & SUBSIDIARIES**

INTRODUCTION

1. On May 15, 2020, ENTREC Corporation ("**ENTREC**") and its subsidiaries Capstan Hauling Ltd., Entrec Alberta Ltd., Ent Capital Corp., Entrec Cranes & Heavy Haul Inc., Ent Oilfield Group Ltd., Entrec Holdings Inc. and Entrec Services Ltd. (collectively with ENTREC, the "**Applicants**") obtain an Initial Order (the "**Initial Order**") under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the "**CCAA**") from the Alberta Court of Queen's Bench (the "**CCAA Court**"). The Applicants' proceedings under the CCAA are referred to herein as the "**CCAA Proceedings**".
2. Pursuant to the Initial Order, Alvarez & Marsal Canada Inc. was appointed as monitor (in such capacity, the "**Monitor**") of the Applicants in the CCAA Proceedings.
3. Pursuant to proceedings (the "**Chapter 15 Proceedings**", and together with the CCAA Proceedings, the "**Insolvency Proceedings**") commenced in the United States Bankruptcy Court for the Southern District of Texas (the "**US Bankruptcy Court**", and together with the CCAA Court, the "**Insolvency Courts**") under Chapter 15, Title 11, of the United States Code (the "**US Bankruptcy Code**"), ENTREC obtained, among other things, recognition of the CCAA Proceedings.
4. Wells Fargo Capital Finance Corporation Canada is Administrative Agent (in such capacity, the "**Agent**") for a syndicate of secured lenders (collectively, the "**Lenders**") that have agreed to provide certain interim financing to ENTREC during the Insolvency Proceedings pursuant to, among other things, a Support Agreement made May 14, 2020 between the Lenders and the Applicants.
5. Pursuant to the Order of the CCAA Court dated May 25, 2020 (the "**SISP Order**"), the CCAA Court approved the sale and investment solicitation process set out herein (the "**SISP**"). Capitalized terms used herein are as defined in the SISP Order unless defined otherwise herein.
6. Pursuant to the SISP Order, each of Ernst & Young Orenda Corporate Finance Inc. ("**EY**") and Sequeira Partners ("**Sequeira**") were appointed to act as Sales Agent in accordance with the SISP Order and the SISP.
7. While EY will focus on Canadian opportunities and Sequeira will focus on US opportunities, their marketing efforts will be highly coordinated and they will cooperate in activities such as developing a list of Known Potential Bidders (as defined below), communicating and meeting with interested parties, preparing and distributing marketing materials and managing the Data Room (as defined below).

SISP OVERVIEW

8. The purpose of the SISP is to solicit interest in one or more or any combination of (1) a restructuring, recapitalization or other form of reorganization of the business and affairs of one or more of the Applicants as a going concern, or (2) a sale of all, substantially all or

one or more components of the Applicants' assets (the "**Property**") and / or business operations of the Applicants (the "**Business**") as a going concern or otherwise.

9. The SISP describes the manner in which individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures, governmental organizations or other entities (each, a "**Person**") may gain access to or continue to have access to due diligence materials concerning the Applicants, the Property and the Business, how bids involving the Applicants, the Property or the Business will be submitted to and dealt with by the Applicants, Monitor, the Sales Agent and the Agent and how Court approval will be obtained in respect of any Transaction (as defined below).
10. As described below, the various deadlines herein may be extended by and at the discretion of the Monitor and the Applicants, subject to approval by the Agent, in its sole discretion (in consultation with the Lenders). The Monitor will consider extending the various deadlines herein in the event that the Monitor determines that such an extension will generally benefit the Applicants' creditors and other stakeholders.

"AS IS, WHERE IS" BASIS

11. Any transaction involving the Applicants, the Property or the Business (in each case, a "**Transaction**") will be on an "as is, where is" basis and without surviving representations, warranties, covenants or indemnities of any kind, nature, or description by the Sales Agent, the Monitor, the Applicants, or any of their respective agents, estates, advisors, professionals or otherwise, except to the extent expressly set forth in the relevant Final Agreement (as defined herein).

THE SISP PROCESS

A. Initial Solicitation of Interest

12. The Sales Agent may contact any Persons to solicit expressions of interest in a Transaction either before or after the granting of the SISP Order.
13. As soon as reasonably practicable after the granting of the SISP Order and in any event by no later than May 27, 2020, the Sales Agent will cause a notice regarding this SISP, in a form satisfactory to and previously approved by the Applicants, the Monitor and the Agent, to be published in (a) the *National Post*, (b) *The Wall Street Journal* or other national daily publication acceptable to the Applicants, the Agent and the Monitor, and (c) any other publication in which the Sales Agent determines notice of this SISP should be published.
14. As soon as reasonably practicable after the granting of the SISP Order and in any event by no later than June 1, 2020, in consultation with the Applicants, the Monitor and the Agent, the Sales Agent will prepare a list of potential bidders (the "**Known Potential Bidders**") who may have interest in a Transaction. Such list will include both strategic and financial parties who may be interested in acquiring an interest in the Applicants and/or their assets pursuant to an asset purchase transaction (an "**Asset Bid**"), a restructuring of the debt, share or capital structure of the Applicants (a "**Restructuring Bid**") or some combination of a of an Asset Bid and a Restructuring Bid (such combination bid, a "**Hybrid**").

Bid"). Concurrently, the Sales Agent will prepare an initial offering summary (the "**Teaser Letter**") notifying Known Potential Bidders of the SISP and inviting the Known Potential Bidders to express interest in making an Asset Bid, Restructuring Bid or Hybrid Bid (each, a "**SISP Bid**").

15. By no later than June 2, 2020, the Sales Agent shall distribute to the Known Potential Bidders and any other interested Persons the Teaser Letter, as well as a draft form of confidentiality agreement (the "**Confidentiality Agreement**") that shall inure to the benefit of the Person or Persons who make the Winning Bid (as defined herein) pursuant to this SISP. Copies of the Teaser Letter and Confidentiality Agreement shall be provided to any appropriate Persons who becomes known to the Sales Agent after the initial distribution of such documents.
16. Any Person (a) who executes a Confidentiality Agreement in form and substance satisfactory to the Applicants, Sales Agent and the Monitor, and (b) whom the Sales Agent is satisfied has the financial capabilities and technical expertise to make a viable SISP Bid, shall be deemed to be a potential bidder (each, a "**Potential Bidder**").

B. Due Diligence

17. The Sales Agent will prepare a confidential information memorandum ("**CIM**") by no later than June 5, 2020, describing the opportunity to make a SISP Bid and shall deliver the CIM to each Potential Bidder as soon as practicable after such Person is deemed to be a Potential Bidder in accordance with this SISP.
18. The Sales Agent shall provide each Potential Bidder with information, including access to an electronic data room established by the Sales Agent by no later than June 5, 2020 (the "**Data Room**"), that the Sales Agent determines to be necessary for the Potential Bidder to evaluate a transaction involving a SISP Bid.

C. LOI Process

19. Any Potential Bidder who wishes to submit a SISP Bid must deliver a written, non-binding letter of intent (each, a "**LOI**") to the Monitor at the address specified in and in accordance with Schedule "A" hereto so as to be received by the Monitor not later than 5:00 p.m. EST on Friday June 26, 2020, or such other date or time as the Monitor and the Applicants may determine with the approval of the Agent (the "**LOI Deadline**").
20. Following the LOI Deadline, all LOIs shall be reviewed by the Applicants, in consultation with the Monitor, the Sales Agent and the Agent.
21. An LOI shall be a qualified LOI (each, a "**Qualified LOI**") provided that it contains:
 - (a) a specific indication of the anticipated sources of capital for such Potential Bidder and preliminary evidence of the availability of such capital, or such other form of financial disclosure and credit support or enhancement that will allow the Monitor and its legal advisors, to make, in their reasonable business or professional judgment, a reasonable determination as to the Potential Bidder's financial and other capabilities to consummate a SISP Bid;

- (b) a letter setting forth the identity of the Potential Bidder, the contact information for such Potential Bidder and full disclosure of the direct and indirect owners of the Potential Bidder and their principals;
- (c) an indication of whether the Potential Bidder wishes to tender (i) an Asset Bid; (ii) a Restructuring Bid; or (iii) a Hybrid Bid;
- (d) in the case of an Asset Bid, it identifies:
 - (i) the purchase price range (including liabilities to be assumed by the Potential Bidder and any credit bid);
 - (ii) whether the Asset Bid is *en bloc*, the Property included, any of the Property expected to be excluded, and/or any additional assets desired to be included in the transaction;
 - (iii) the structure and financing of the transaction (including, but not limited to, the sources of financing for the purchase price, preliminary evidence of the availability of such financing and the steps necessary and associated timing to obtain the financing and consummate the proposed transaction and any related contingencies, as applicable);
 - (iv) the proposed treatment of employees of the Applicants;
 - (v) the proposed treatment of any leases and other material contracts;
 - (vi) any anticipated corporate, shareholder, internal or regulatory approvals required to close the transaction and the anticipated time frame and any anticipated impediments for obtaining such approvals;
 - (vii) any additional due diligence required or desired to be conducted by the Potential Bidder, if any;
 - (viii) any conditions to closing that the Potential Bidder may wish to impose; and
 - (ix) any other terms or conditions of the Asset Bid which the Potential Bidder believes are material to the transaction;
- (e) in the case of a Restructuring Bid, it identifies:
 - (i) the aggregate amount of the equity and debt investment, including liabilities to be assumed by the Potential Bidder and any credit bid component (including the sources of such capital, preliminary evidence of the availability of such capital and the steps necessary and associated timing to obtain the capital and consummate the proposed transaction and any related contingencies, as applicable) to be made in the Applicants;
 - (ii) the underlying assumptions regarding the *pro forma* capital structure (including, the anticipated debt levels, debt service fees, interest and amortization);
 - (iii) the consideration to be allocated to the stakeholders including claims of any secured or unsecured creditors of the Applicants and the proposed treatment of employees;
 - (iv) the structure and financing of the transaction including all requisite financial assurance;

- (v) any anticipated corporate, shareholder, internal or regulatory approvals required to close the transaction, the anticipated time frame and any anticipated impediments for obtaining such approvals;
 - (vi) any additional due diligence required or desired to be conducted by the Potential Bidder, if any;
 - (vii) any conditions to closing that the Potential Bidder may wish to impose; and
 - (viii) any other terms or conditions of the Restructuring Bid which the Potential Bidder believes are material to the transaction;
- (f) in the case of a Hybrid Bid, all of the information contained in subparagraphs (a) through (e) above, as applicable;
- (g) such other information as may be requested by the Monitor or the Sales Agent; and provided however, that any Qualified LOI must be in form and substance satisfactory to the Agent (in consultation with the Lenders).
22. Any Potential Bidder who submits a Qualified LOI on or before the LOI Deadline shall be designated a **“Qualified Bidder”**.
23. The Applicants, with the approval of the Monitor and the Agent (in consultation with the Lenders) may waive the strict compliance of one or more of the requirements specified above and deem any LOI to be a Qualified LOI, notwithstanding any noncompliance with the terms and conditions of this SISP.
24. In the event that no Person submits an LOI, or that no LOI qualifies as or is deemed to qualify as a Qualified LOI, or that no LOI is deemed commercially reasonable to the Applicants, the Agent and the Monitor, the Applicants may, with the Approval of the Monitor and the Agent, terminate the SISP. If no Qualified LOIs are received by the LOI Deadline, the Applicants may, in consultation with the Monitor and the Agent, may consider other forms of bids for the Property and the Business. At any time during the SISP, the Applicants, may, with the approval of the Monitor and the Agent, determine that any bid is a Winning Bid and seek Approval Orders in respect of such Winning Bid(s) from the Insolvency Courts.

D. Final Bid Process

25. The Sales Agent may invite Qualified Bidders to conduct additional due diligence or otherwise make available to Qualified Bidders additional information not posted in the Data Room, arrange for inspections and site visits at ENTREC’s premises, as determined by the Sales Agent and subject to paragraph 44. The Data Room will include, among other things, a form of purchase agreement for use by Qualified Bidders.
26. Any Qualified Bidder may submit an Asset Bid, a Restructuring Bid or a Hybrid Bid (each, a **“Final Bid”**) to the Monitor at the address specified in Schedule “A” hereto on or before 5:00 pm EST on Friday July 24, 2020, or such later time and date that the Applicants may determine, with the approval of the Monitor and the Agent (the **“Final Bid Deadline”**).
27. Final Bids shall be reviewed by the Monitor, the Sales Agent, the Applicants and the Agent.

28. A Final Bid submitted as an Asset Bid shall be a “**Qualified Asset Bid**” the event that:
- (a) it includes a letter stating that the Asset Bid is irrevocable until the earlier of (i) the approval by the Insolvency Courts, and (ii) forty five (45) days following the Final Bid Deadline; provided, however, that if such Asset Bid is selected as the Winning Bid or the Backup Bid, it shall remain irrevocable until the closing of the Winning Bid or the Backup Bid, as the case may be;
 - (b) it includes a duly authorized and executed purchase and sale agreement specifying the all consideration payable, together with all exhibits and schedules thereto, and such ancillary agreements as may be required by the Qualified Bidder with all exhibits and schedules thereto;
 - (c) it does not include any request or entitlement to any break fee, expense reimbursement or similar type of payment;
 - (d) it includes written evidence of a firm, irrevocable commitment for all required funding and/or financing from a creditworthy bank or financial institution to consummate the proposed transaction, or other evidence satisfactory to the Monitor to allow the Monitor to make a reasonable determination as to the Qualified Bidders (and its direct and indirect owners and their principals) financial and other capabilities to consummate the transaction contemplated by the Asset Bid;
 - (e) it is not conditional on (i) the outcome of unperformed due diligence by the Qualified Bidder and/or (ii) obtaining any financing capital and includes an acknowledgment and representation that the bidder has had an opportunity to conduct any and all required due diligence prior to making its Asset Bid;
 - (f) it is not conditional upon any governmental or regulatory approval;
 - (g) it fully discloses the identity of each Person that is bidding or otherwise that will be sponsoring or participating in the Asset Bid, including the identification of the bidder's direct and indirect owners and their principals, and the complete terms of any such participation;
 - (h) it is accompanied by a refundable cash deposit (the “**Deposit**”) in the form of a wire transfer (to a trust account specified by the Monitor), in an amount equal to ten percent (10%) of the consideration be paid in respect of the Asset Bid, to be held and dealt with in accordance with this SISP;
 - (i) it contains other information requested by the Sales Agent, the Applicants, the Monitor or the Agent; and
 - (j) it is received by no later than the Final Bid Deadline.
29. A Final Bid submitted as a Restructuring Bid shall be a “**Qualified Restructuring Bid**” the event that:
- (a) it includes definitive documentation, duly authorized and executed by the Qualified Bidder, setting out the terms and conditions of the proposed transaction, including the aggregate amount of the proposed equity and debt investment, assumption of debt if any, and details regarding the proposed equity and debt structure of the Applicants following completion of the proposed transaction;

- (b) it includes a letter stating that the Restructuring Bid is irrevocable until the earlier of (i) the approval by the Insolvency Courts, and (ii) forty five (45) days following the Final Bid Deadline; provided, however, that if such Restructuring Bid is selected as the Winning Bid or the Backup Bid, it shall remain irrevocable until the closing of the Winning Bid or the Backup Bid, as the case may be;
 - (c) it does not include any request or entitlement to any break fee, expense reimbursement or similar type of payment;
 - (d) it includes written evidence of a firm, irrevocable commitment for all required funding and/or financing from a creditworthy bank or financial institution to consummate the proposed transaction, or other evidence satisfactory to the Monitor to allow the Monitor to make a reasonable determination as to the Qualified Bidder's (and its direct and indirect owners and their principals) financial and other capabilities to consummate the transaction contemplated by the Restructuring Bid;
 - (e) it is not conditional on (i) the outcome of unperformed due diligence by the Qualified Bidder and/or (ii) obtaining any financing capital and includes an acknowledgment and representation that the bidder has had an opportunity to conduct any and all required due diligence prior to making its Restructuring Bid;
 - (f) it is not conditional upon any governmental or regulatory approval;
 - (g) it fully discloses the identity of each entity that is bidding or otherwise that will be sponsoring or participating in the Restructuring Bid, including the identification of the Qualified Bidder's direct and indirect owners and their principals, and the complete terms of any such participation;
 - (h) it is accompanied by a refundable Deposit in the form of a wire transfer (payable to a trust account specified by the Monitor) in an amount equal to ten percent (10%) of the consideration to be paid pursuant to the Restructuring Bid, to be held and dealt with in accordance with this SISP;
 - (i) it contains other information requested by the Sales Agent, the Applicants, the Monitor or the Agent; and
 - (j) it is received by no later than the Final Bid Deadline.
30. A Hybrid Bid submitted by the Final Bid Deadline will be considered a **"Qualified Hybrid Bid"** if it is in substantial compliance with the portions of paragraphs 28 and 29 of this SISP, as determined by the Monitor.
31. All Qualified Asset Bids, Qualified Restructuring Bids and Qualified Hybrid Bids shall constitute **"Qualified Final Bids"**. The Applicants, with the approval of the Monitor and the Agent (in consultation with the Lenders) may waive the strict compliance of one or more of the requirements specified above and deem any Final Bid(s) to be a Qualified Final Bid and notwithstanding any non-compliance with the terms and conditions of this SISP.

E. Selection of Winning Bid

32. The Applicants shall review all Qualified Final Bids in consultation with the Monitor, the Sales Agent and the Agent (in consultation with the Lenders). Subject to the approval of the Monitor and the Agent, the Applicants may, but shall have no obligation to, enter into a

definitive agreement or agreements (each a **"Final Agreement"**) with the Person or Persons who submitted the highest, best or otherwise most favourable Qualified Final Bid(s).

33. In the event that the Applicants enter into one or more Final Agreements on or before Tuesday August 4, 2020, or such later time and date that the Monitor may determine (the **"Final Agreement Deadline"**), any Qualified Bid so selected shall be a **"Winning Bid"** and the next highest, best or otherwise most favourable Qualified Bid received, as determined by the Applicants, shall be the **"Backup Bid"**. Any Qualified Bidder that makes a Winning Bid shall be a **"Successful Bidder"** and any Qualified Bidder that makes a Backup Bid shall be a **"Backup Bidder"**.
34. The Monitor will notify each Successful Bidder and Backup Bidder of the Final Agreement and the Backup Bid shall remain open until the consummation of the transaction contemplated by the Winning Bid (and, for greater certainty, the Monitor shall be entitled to continue to hold the Deposit in respect of the Backup Bid until such time as the transaction contemplated by the Winning Bid is consummated).
35. In the event that (a) no Qualified Bidder submits or is deemed to have submitted a Qualified Final Bid, (b) the Applicants, with the approval of the Monitor and the Agent (in consultation with the Lenders), determines that none of the Qualified Final Bids should be accepted, or (c) that a Final Agreement has not been entered into before the Final Agreement Deadline, this SISP shall terminate.
36. The highest Qualified Final Bid may not necessarily be accepted by the Applicants. The Applicants, with the approval of the Monitor and the Agent (in consultation with the Lenders), reserve the right not to accept any Qualified Final Bid or to otherwise terminate the SISP. The Applicants, with the Approval of the Monitor and the Agent (in consultation with the Lenders), further reserve the right to deal with one or more Qualified Bidders to the exclusion of other Persons, to accept a Qualified Final Bid or Qualified Final Bids for some or all of the Property, the Applicants or the Business, to accept multiple Qualified Final Bids and enter into multiple Final Agreements.

APPROVAL ORDERS

37. In the event that the Applicants enter into a Final Agreement, on or before Monday August 17, 2020 the Applicants shall apply for orders (the **"Approval Orders"**) from the Insolvency Courts, in form and substance, satisfactory to the Monitor and the Agent (in consultation with the Lenders), approving the transaction contemplated by the Winning Bid and any necessary related relief required to consummate the transaction contemplated by the Winning Bid, subject to the terms of the Final Agreement.
38. The Applicants may also concurrently obtain relief approving the transaction contemplated by the Backup Bid and any necessary related relief required to consummate the transaction contemplated by the Backup Bid.
39. An Approval Order shall become a **"Final Order"** upon satisfaction of the following conditions: (i) it is in full force and effect; (ii) it has not been reversed, modified or vacated and is not subject to any stay; and (iii) all applicable appeal periods have expired and any

appeals therefrom have been finally disposed of, leaving the Approval Order wholly operable.

CLOSING

40. Closing of the transactions contemplated in any Final Agreement shall occur within ten (10) days of the date upon which the Approval Orders have become Final Orders, or as may be extended with the approval of the Monitor and the Agent.

DEPOSITS

41. All Deposits paid pursuant to this SISP shall be held in trust by the Monitor. The Monitor shall hold Deposits paid by each of the Winning Bidder and the Backup Bidder in accordance with the terms outlined in this SISP. In the event that a Deposit is paid pursuant to this SISP and the Applicants elect not to proceed to negotiate and settle the terms and conditions of a definitive agreement with the Person that paid such Deposit, the Monitor shall return the Deposit and any interest accrued thereon to that Person.
42. In the event that either of the Successful Bidder or the Backup Bidder default in the payment or performance of any obligations owed to the Applicants, the Monitor or the Sales Agent pursuant to any Final Agreement the Deposit paid by the Winning Bidder or the Backup Bidder, as applicable, shall be forfeited to such party as liquidated damages and not as a penalty.

GENERAL

43. Subject to approval of the Monitor and the Agent, the Applicants may at any time prior to the Final Bid Deadline apply to the Insolvency Courts for approval to accept a “stalking horse” bid in the SISP.

COVID-19

44. This SISP shall be interpreted so as to comply and be consistent with any applicable laws, regulations or public health directives related to the COVID-19 pandemic, and may be amended at any time with the approval of the Monitor and the Agent to the extent necessary or advisable to comply with same.

SCHEDULE "A"

Addresses for Deliveries

Any notice or other delivery made to the Monitor pursuant to this SISIP shall be made to:

ALVAREZ & MARSAL CANADA INC.
400 Burrard Street, Unit 1680
Vancouver, BC
V63 3A6
Attention: Todd Martin / Anthony Tillman
Email: tmartin@alvarezandmarsal.com / atillman@alvarezandmarsal.com

with copy to:

NORTON ROSE FULBRIGHT CANADA LLP
400 3 Ave SW
Calgary, AB
T2P 4H2
Attention: Howard Gorman and Louis R. Strubeck, Jr.
Email: howard.gorman@nortonrosefulbright.com / louis.strubeck@nortonosefulbright.com

Any notice or delivery made to the Sales Agent pursuant to this SISIP shall be made to:

SEQUEIRA PARTNERS
Suite 2250 TD Tower
10088 102 Avenue
Edmonton, AB
T5S 2Z1
Attention: Julie Afanasiff
Email: jafanasiff@sequeirapartners.com
Facsimile: 1-877-790-6172

and to:

ERNST & YOUNG ORENDA CORPORATE FINANCE INC.
10423 – 101 Street, Suite 1400
PO Box 44
Edmonton, AB
T5H 0E7
Attention: Darcy Yamada
Email: darcy.yamada@ca.ey.com
Facsimile: 780-429-5097

Deliveries pursuant to this SISIP by email or by facsimile shall be deemed to be received when sent. In all other instances, deliveries made pursuant to this SISIP shall be deemed to be received when delivered to the relevant address, as identified above.