



SUPERIOR COURT OF JUSTICE

COUNSEL SLIP/ENDORSEMENT

COURT FILE NO.: **CV-23-00693280-00CL**

DATE: **20 April 2023**

REGISTRAR: Fardeen Delair

NO. ON LIST: **1**

TITLE OF PROCEEDING: **TEHAMA INC.**

BEFORE JUSTICE: **KIMMEL**

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party, Crown:

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For Defendant, Respondent, Responding Party, Defence:

Name of Person Appearing	Name of Party	Contact Info
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ENDORSEMENT OF MADAM JUSTICE KIMMEL:

1. The court granted and initial order and amended and restated initial order in respect of Tehama Inc. (the "Company") on January 20 and 30, 2023, respectively (the "ARIO"). By order dated February 9, 2023 (the "SISP Approval Order") the court approved the sale and investment solicitation process ("SISP") and stalking horse purchase agreement dated February 7, 2023 (the "Stalking Horse APA") between the Company and 14667913 Canada Inc. (the "Stalking Horse Bidder"). Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the ARIO.
2. On March 29, 2023, an approval and vesting order (the "AVO") was granted approving the sale transaction (the "Sale Transaction") contemplated by the Stalking Horse APA and vesting in the Stalking Horse Bidder all of the Company's right, title and interest in and to the Purchased Assets (as defined in the

Stalking Horse APA). An ancillary order was also granted on March 29, 2023 (the “Ancillary Order”) granting various ancillary relief, including the extension of the stay until April 21, 2023 to allow for the closing of the Sale Transaction and any follow up.

3. The Monitor’s fourth report dated April 14, 2023 details the Monitor’s activities since its third report filed in connection with the granting of the AVO and Ancillary Order, including the closing of the Sale Transaction on March 31, 2023 and the preparation of an updated statement of receipts and disbursements. Although there was an overall net negative cash flow variance of \$15,000, that has not impacted the Company’s ability to complete the Sale Transaction and other anticipated steps as its expenses have been covered by the previously approved DIP financing.
4. The Monitor’s fourth report confirms that the professional fees for the Monitor and its counsel are in line with what was forecast and previously approved in the Ancillary Order.
5. An order is now sought for the approval of the Monitor’s activities since the Ancillary Order, the discharge and release of the Monitor and its counsel and the termination of the CCAA proceedings and the associated Charges upon the filing of a certificate by the Monitor (the “CCAA Termination and Discharge Order”).
6. The service list was served with this motion. No one appeared to oppose or raise any concerns about the requested order.
7. The Monitor recommends that the court grant the CCAA Termination and Discharge Order in light of the closing of the Sale Transaction and that there are no remaining assets of value in the Company. It is not now, and was not, anticipated that there will be any distribution to unsecured creditors. Thus, there is no ongoing benefit to the continuation of the CCAA proceedings. Tehama is expected to make a bankruptcy filing after the CCAA Termination and Discharge Order is made.
8. The approval, discharge and release language contained in the proposed CCAA Termination and Discharge Order is consistent with the terms of orders typically granted.
9. The court approves the Monitor’s fourth report and the activities described therein, with the inclusion of the standard qualifying language in the operative paragraph of the order.
10. The release and limitation of liability requested in respect of the Monitor and its counsel are commonly provided for in CCAA discharge orders and the relevant provisions of the draft Order appropriately exclude willful misconduct and gross negligence from the release language.
11. Order to go in the form signed by me today.



KIMMRL J.