

COURT FILE NUMBER QB _____ of 20^{*}QBG 1076 of 2021

COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE *SASKATOON

IN THE MATTER OF THE ~~RECEIVERSHIP OF [THE DEBTOR]~~ NOTICE OF INTENTION TO
MAKE A PROPOSAL OF
CANADIAN DEVELOPMENT STRATEGIES INC.

AND

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
CROSSROADS ONE INC.

AND

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
OAK AND ASH FARM LTD.

AND

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
1143402 ALBERTA LTD.

AND

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
2061778 ALBERTA LTD.

AND

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
1216699 ALBERTA LTD.

AND

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
DEAN RUNZER

AND

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
LORI RUNZER

SASKATCHEWAN TEMPLATE

SALE APPROVAL AND VESTING DRAFT ORDER

(Extension of Time to File Proposal and Sale and Vesting)

EFFECTIVE AS OF JUNE 5, 2019

Before the Honourable * Justice * in chambers the _____ of _____, 20____, Mr. Justice R.S. Smith in Chambers the 27th day of January, 2022.

Upon the application by Jeffrey M. Lee, Q.C. and Dana Nowak, counsel on behalf of Canadian Development Strategies Inc., Crossroads One Inc., Oak and Ash Farm Ltd., 1143402 Alberta Ltd., 1216699 Alberta Ltd., 2061778 Alberta Ltd., Dean Runzer, and Lori Runzer (collectively, "FireSong Group"), and upon reading the Notice of Application returnable on January 27, 2022, the Affidavit of Lori Runzer sworn October 21, 2021, the Affidavit of Lori Runzer sworn December 6, 2021, the Affidavit of Lori Runzer sworn December 17, 2021, the Affidavit of Lori Runzer sworn January 20, 2022, the First Report of the Proposal Trustee dated October 21, 2021, the Second Report of the Proposal Trustee dated December 6, 2021, the Third Report of the Proposal Trustee dated December 17, 2021, the Fourth Report of the Proposal Trustee dated January 20, 2022, the Draft Order for Extension of Time to File Proposal, and Brief of Law on Behalf of the Applicant, all filed; and the pleadings and proceedings herein;

~~On the application of [Receiver's Name] in its capacity as the Court-appointed [receiver/receiver and manager] (the "Receiver") of the assets, undertakings and properties of [Debtor] (the "Debtor") pursuant to the Order of this Court made * (the "Receivership Order"); and upon hearing from counsel for * and upon reading the Notice of Application dated *, the Report of the Receiver (the "Receiver's Report"), and a proposed Draft Order, all filed and the pleadings and proceedings having taken herein:~~

The Court ~~Orders:~~ orders:

EXTENSION OF TIME TO FILE PROPOSALS

1. Pursuant to section 50.4(9) of the *Bankruptcy and Insolvency Act*, RSC 1985 c.B-3 ("BIA"), the period of time within which FireSong Group is required to file proposals to its creditors with the Official Receiver under Division I of Part III of the BIA is hereby extended by forty-five (45) days from January 27, 2022 to and including March 13, 2022 at 4:00 p.m. (Saskatchewan time).

RELEASE OF TRUST FUNDS

2. The Mortgage executed by 1143402 Alberta Ltd. in favour of Yvonne Hoeller ("Ms. Hoeller") and previously registered against title to Lot 25, District Lots 10353 and 10354 Kootenay District Plan 14398 (the "Hoeller Mortgage") is valid and enforceable, is "at arm's length" within the meaning of the phrase in section 4(5) of the BIA, and does not constitute a preference or transfer under value in accordance with sections 95 and 96 of the BIA or any equivalent provincial legislation.

3. Legal counsel to the Proposal Trustee, Mike Russell of the law firm of W Law Group of Saskatoon, Saskatchewan ("Trustee's Counsel"), shall cause the balance of the Hoeller Mortgage to be paid out from the funds provided by Pioneer West Acceptance Corporation to Benjamin Runzer and Dallas Runzer and held in trust by Trustee's Counsel pursuant to the Winding up Trust and Vesting Trust Property in Beneficiary Order of this Honourable Court in these proceedings dated December 22, 2021.

SERVICE

1. ~~Service of the Notice of Application on behalf of the Receiver and the materials filed in support thereof (collectively, the "Application Materials") shall be and is hereby deemed to be good and valid and, further, shall be and is hereby abridged, such that service of such Application Materials is deemed to be timely and sufficient.~~¹

APPROVAL OF TRANSACTION

4. ~~The Pursuant to subsection 65.13(1) of the BIA, the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale the Real Estate Purchase Contract (the "Sale Agreement") between the Receiver and [Name of Purchaser] Oak and Ash Farm Ltd. ("Oak") and 201778 Alberta Ltd. (the "Purchaser") dated [Date] and appended to the Report of the Receiver dated [Date] (the "Report"), January 20, 2022 appended as Exhibit C to the Affidavit of Lori Runzer sworn January 20, 2022 for the sale to the Purchaser (or its nominee)² of the Debtor's of Oak's right, title and interest in and to the assets described in the Sale Agreement (the "Purchased Asset³") is declared to be commercially reasonable and in the best interests of ~~2. the Debtor FireSong Group~~ and its creditors and other stakeholders and is hereby authorized and approved, with such minor amendments as Oak and the Receiver Purchaser may deem necessary.~~
5. ~~The Receiver Oak, in consultation with and under the supervision of the Proposal Trustee,~~ is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable (including any steps necessary or desirable to satisfy and/or comply with any applicable laws, regulations or orders of any courts court, tribunals, regulatory bodies or administrative bodies in any jurisdiction in which the Purchased Assets may be located) for the

¹ Paragraph 35 of the Saskatchewan Template Receivership Order provides that further applications may be made upon three days notice. In a case where no such provision has been previously approved in the proceedings, the applicant should consider whether an Order abridging the time for service is necessary in accordance with *Sigfusson Northern Ltd. v Signal Energy LLC*, 2016 SKQB 46, 88 CPC (7th) 416.

² There may be issues arising with the transfer of assets to either the Purchaser or nominee, for example competition or anti-trust law, or the land ownership provisions of *The Saskatchewan Farm Security Act*.

³ The wording respecting reasonableness of the transaction, and it being in the best interests of the Debtor and the stakeholders may be required where the order is to be relied upon in the USA. Evidence to support this conclusion should be included in the application materials.

completion of the Transaction or ~~for~~ the conveyance of the ~~Purchased~~ Purchase Assets to the Purchaser (or its nominee), subject to such amendments as ~~3. — the Receiver — Oak~~ and the Purchaser may agree upon, provided that any such amendments do not materially affect the Purchase Price.

VESTING OF PROPERTY

6. ~~4.~~ Upon the ~~Receiver~~ Proposal Trustee determining that the Proposed Sale has closed to its satisfaction and on terms substantially as approved by this Honourable Court pursuant to this Order, the ~~Receiver~~ Proposal Trustee shall deliver to the Purchaser ~~(or its nominee) a Receiver's a~~ a certificate substantially in the form set out in **Schedule "A"** hereto (the "~~Receiver's~~ Proposal Trustee's Certificate").
7. ~~5.~~ The ~~Receiver~~ Proposal Trustee may rely on written notices from the Purchaser regarding the fulfillment or, if applicable, waiver of conditions to closing of the Proposed Sale under the Sale Agreement and shall have no liability with respect to the delivery of the ~~Receiver's~~ Proposal Trustee's Certificate.
8. ~~6.~~ Upon delivery of the ~~Receiver's~~ Proposal Trustee's Certificate, ~~all of the Debtor's Oak's~~ all of the Purchaser's right, title ~~and interest in and to the Purchased Assets described in the Sale Agreement and listed on~~ and interest in and to the Purchased Assets described in the Sale Agreement and listed on **Schedule "B"** hereto shall, save and except for the encumbrances listed in **Schedule "C"** hereto (the "**Permitted Encumbrances**"), vest absolutely in the name of the Purchaser (or its nominee) ~~if any~~ if any free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, interests, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, judgments, enforcement charges, levies, charges, or other financial or monetary claims (collectively, "**Encumbrances**") and all rights of others, whether or not they have attached or been perfected, registered ~~or~~ or filed and whether secured, unsecured ~~or~~ or otherwise (collectively, the "**Claims**")⁴ including, without limiting the generality of the foregoing:
- (a) any ~~encumbrances~~ Encumbrances or charges created by ~~the Receivership an~~ an Order in the within proceedings;
 - (b) all charges, security ~~interests~~ interest or claims evidenced by registrations pursuant to *The Personal Property Security Act, 1993 SS 1993, c P-6.2* RSA 2000, c P-7, or any other personal property registry system; ~~and~~
 - (c) all charges, security interests or claims evidenced by registrations pursuant to the Land Titles Act, RSA 2000, c L-4 (the "Alberta LTA"); and
 - (d) ~~(e)~~ those Encumbrances listed in **Schedule "D"** hereto;

⁴ The "Claims" referenced here may, in some cases, include ownership claims, where ownership is disputed and the dispute is brought to the attention of the Court. Such ownership claims would, in that case, still continue as against the net proceeds from the sale of the claimed asset. Similarly, other rights, titles or interests could also be vested out, if the Court is advised what rights are being affected, and the appropriate persons are served.

and, for greater certainty, this Court orders that all of the Encumbrances (save and except for the Permitted Encumbrances) affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

~~9.~~ ~~7.~~ Upon delivery of the ~~Receiver's Proposal Trustee's~~ Certificate to the Purchaser, the ~~Receiver FireSong Group~~ shall ~~be~~ and is hereby authorized to effect such discharges or revisions in the Saskatchewan Personal Property Registry and Alberta Personal Property Registry as may be reasonably required to conclude the Transaction.

~~10.~~ ~~8.~~ Pursuant to section ~~109 of The Land Titles Act~~ 190 of the Alberta LTA, 2000, SS-2000, c L-5.1 and section 12 of The Queen's Bench Act, 1998, SS-1998, c Q-1.01 the Saskatchewan the Alberta Registrar of Titles shall be and is hereby directed:

(a) ~~to~~ To accept an application (the "**Land Titles Application**") to surrender the existing title to the real property legally described as:

(i)

~~— [Insert Land Descriptions as Required]~~

~~(collectively,~~ 54343 Range Road 222 Strathcona County Lot 1 Block 1 Plan 0324002 (the "**Real Property**")

and to set up a new title to such Real Property in the name of the Purchaser (or its nominee) as owner free and clear ~~of~~ and any and all Encumbrances, save and except for the Permitted Encumbrances as set out in Schedule "C"; and

(b) for greater certainty, to discharge all interests described in Schedule "D" hereto.

11. ~~59.~~ Any and all registration charges and fees payable in regard to the Land Titles Application shall be to the account of the Purchaser. ~~6~~

~~12.~~ ~~40.~~ For the purposes of determining the nature and priority of the Encumbrances:

- (a) the net proceeds~~7~~ from the sale of the Purchased Assets (the "**Net Sale Proceeds**") shall stand in the place and stead of the Purchased Assets; and
- (b) from and after the delivery of the ~~Receiver's~~ Proposal Trustee's Certificate to the Purchaser, all Encumbrances and all rights of others shall attach to the Net Sale Proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, ~~8~~ as if the Purchased Assets had not

~~⁵ Consideration must be given as to whether it is appropriate, at law, for the Order to require that any particular interest be vested off title.~~

~~For instance, property tax liens require special consideration as a result of section 12 of *The Tax Enforcement Act*, RSC 1978, c T 2 ("**TEA**"). In most cases, property tax liens will be listed as a Permitted Encumbrance and paid from the net sale proceeds. If an applicant seeks to have a property tax lien included in Schedule "D" for discharge, consider (a) whether that discharge needs to take a form of a direction to the municipal "treasurer" rather than to the Registrar of Titles; or (b) in national receiverships pursuant to section 243 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B 3, whether the Court has the jurisdiction to order the discharge notwithstanding section 12 of the TEA, by invoking the doctrine of federal paramountcy.~~

~~As another example, it will generally not be appropriate for a Sale Approval and Vesting Order to vest off interests which are registered subsequent to the granting of the Order. If there is a concern regarding registrations subsequent to the Order in a particular case, the procedure for having the Court deal with such interests will need to be considered.~~

~~⁶ This is only required where land is to be transferred, and is not intended to bind the Registrar of Titles. (That is, practically speaking, the party submitting the transfer packet to the Registrar will be responsible to ensure that any applicable transfer fee is paid.)~~

~~⁷ It may be desirable for the Receiver's Report to identify disposition and other costs to be deducted from the sale price to arrive at the Net Sale Proceeds.~~

~~⁸ This provision crystallizes the date as of which the Claims will be determined. If a sale occurs early in the insolvency process, or potentially secured claimants may not have had the time or the ability to register or perfect~~

been sold and remained in the possession or control of the person having that possession or control immediately prior to closing of the Transaction.

- ~~13.~~ ~~44.~~ The Purchaser (and its nominee, if any) shall, by virtue of the completion of the Transaction, have no liability of any kind whatsoever in respect of any Claims against ~~the Debtor~~ FireSong Group.
- ~~14.~~ ~~The Debtor~~ Oak and all persons who claim by, through or under ~~12.~~ ~~the Debtor~~ Oak in respect of the Purchased Assets, save and except for the persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely barred and foreclosed from all estate, right, title, interest, royalty, rental and equity of redemption of the Purchased Assets and, to the extent that any such person remains in possession or control of any of the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).
- ~~15.~~ ~~43.~~ The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by ~~the Debtor~~ FireSong Group, or any person claiming by or through or against ~~the Debtor~~ FireSong Group.
- ~~16.~~ ~~44.~~ Immediately after the closing of the Transaction, the holders of the Permitted Encumbrances shall have no claim whatsoever against ~~the Receiver~~ FireSong Group or the ~~Debtor~~ Proposal Trustee.
- ~~17.~~ ~~45.~~ Forthwith after the delivery of the Receiver's Proposal Trustee's Certificate to the Purchaser (or its nominee), ~~the Receiver~~ FireSong Group shall file a copy of the Receiver's Proposal Trustee's Certificate with the Court, and shall serve a copy of the Receiver's Proposal Trustee's Certificate on the recipients listed in the Service List and Master List of Partners maintained with respect to these proceedings.
- ~~16.~~ Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act, SC 2000, c 5*, the Debtor and the Receiver are hereby authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Debtor's records pertaining to the Debtor's past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.
- ~~18.~~ ~~47.~~ Notwithstanding:
- ~~(a)~~ ~~a)~~ the pendency of these proceedings;
 - ~~(b)~~ ~~b)~~ any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act (Canada)* BIA in respect of ~~the Debtor~~ Oak or FireSong Group and any bankruptcy order issued pursuant to such applications;
 - ~~(c)~~ ~~c)~~ any assignment in bankruptcy made in respect of ~~the Debtor~~ Oak or FireSong Group; and

~~proper claims prior to the sale, this provision may not be appropriate, and should be amended to remove this crystallization provision.~~

(Deputy) Local Registrar

CONTACT INFORMATION AND ADDRESS FOR SERVICE NOTICE

Take notice that, unless the order is consented to by the respondent or a person affected by the order or unless otherwise authorized by law, every order made without notice to the respondent or a person affected by the order may be set aside or varied on application to the Court. You should consult your lawyer as to your rights.

CONTACT INFORMATION AND ADDRESS FOR SERVICE

<u>Name of firm:</u>	<u>MLT Aikins LLP</u>
<u>Name of lawyer in charge of file:</u>	<u>Jeffrey M. Lee, Q.C., Dana Nowak</u>
<u>Address of legal firms:</u>	<u>Suite 1201 - 409 3rd Avenue S, Saskatoon SK S7K 5R5</u>
<u>Telephone number:</u>	<u>(306) 975-7136</u>
<u>Fax number:</u>	<u>(306) 975-7145</u>
<u>E-mail address:</u>	<u>JMLee@mltaikins.com / dnowak@mltaikins.com</u>
<u>File No:</u>	<u>153171.1</u>

SCHEDULE "A"

FORM OF ~~RECEIVER'S~~ PROPOSAL TRUSTEE'S CERTIFICATE

COURT FILE NUMBER QB _____ of 20^{*}QBG 1076 of 2021

COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE *SASKATOON

IN THE MATTER OF THE ~~RECEIVERSHIP OF [THE DEBTOR]~~ NOTICE OF INTENTION TO MAKE
A PROPOSAL OF
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LORI RUNZER

RECEIVER'S PROPOSAL TRUSTEE'S CERTIFICATE

RECITALS

~~A. Pursuant to an Order of the Honourable * Justice * of the Court of Queen's Bench of Saskatchewan (the "Court") dated [Date of Order], [Name of Receiver] was appointed as the receiver (the "Receiver") of the assets, undertakings and property of [Debtor] (the "Debtor").~~

A. ~~B.~~ Pursuant to an Order of the Court dated [Date] January 27, 2022, the Court approved the agreement of purchase and sale made as of [Date of Agreement] January 20, 2022 (the "Sale Agreement") between ~~the Receiver and [Name of Purchaser]~~ Oak and Ash Farm Ltd. (the "Oak") and 201778 Alberta Ltd. (the "Purchaser") and provided for the vesting in the Purchaser of ~~the Debtor's Oak's~~ right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the ~~Receiver~~ Proposal Trustee to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in ~~section * Article 2.6~~ of the Sale Agreement have been satisfied or waived by ~~the Receiver Oak~~ and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the ~~Receiver~~ Proposal Trustee.

B. ~~C.~~ Unless otherwise indicated herein, terms with initial ~~capitals capital~~ have the meanings set out in the Sale Agreement.

THE ~~RECEIVER~~ PROPOSAL TRUSTEE CERTIFIES the following:

1. The Purchaser (or its nominee) has paid and ~~the Receiver Oak~~ has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in ~~section * Article 2.6~~ of the Sale Agreement have been satisfied or waived by ~~the Receiver Oak~~ and the Purchaser (or its nominee);
3. The Transaction has been completed to the satisfaction of the ~~Receiver~~ Proposal Trustee; and
4. This Certificate was delivered by the ~~Receiver~~ Proposal Trustee at [Time] on [Date].

~~[Name of Receiver], MNP Ltd. in its capacity as Receiver of the undertaking, property and assets of [Debtor], Proposal Trustee respecting FireSong Group and not in its personal capacity.~~

Per; _____
Name:
Title:

SCHEDULE "B"

PURCHASED ASSETS

(i) [54343 Range Road 222 Strathcona County Lot 1 Block 1 Plan 0324002.](#)

SCHEDULE "C"

PERMITTED ENCUMBRANCES

- (i) [Registration #042294768 – Utility Right of Way in favour of Atco Gas and Pipelines Ltd.;](#)
- (ii) [Registration #062186390 – Partial Discharge of Utility Right of Way 042294768; and](#)
- (iii) [Registration #062233973 – Utility Right of Way in favour of Battle River Rural Electrification Association Ltd.](#)

SCHEDULE "D"

ENCUMBRANCES TO BE DISCHARGED

- (i) Registration #182074509 – Mortgage in favour of ATB Financial; and
- (ii) Registration #182074510 – Caveat of Assignment of Rents and Leases in favour of ATB Financial.

Comparison Details	
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compareDocs version	v4.3.306.6

Sources	
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Include Change Detail Report	Word	Separate
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