

**COURT FILE NUMBER    QBG-SA-01076-2021**

**COURT OF KING'S BENCH FOR SASKATCHEWAN  
IN BANKRUPTCY AND INSOLVENCY**

**JUDICIAL CENTRE        SASKATOON**

**IN THE MATTER OF THE 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**

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## ORDER

### (Sale and Vesting)

Before the Honourable Mr. Justice B.J. Scherman in Chambers the 27th day of October, 2022

Upon the application by Jeffrey M. Lee, K.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 October 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 Affidavit of Lori Runzer sworn October 21, 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 Fifth Report of the Proposal Trustee dated October 24, 2022, the Draft Order for Sale and Vesting, and Brief of Law on Behalf of the Applicant, all filed; and the pleadings and proceedings herein;

The Court orders:

#### **APPROVAL OF TRANSACTION**

1. Pursuant to subsection 65.13(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 ("**BIA**") the sale transaction (the "**Transaction**") contemplated by the Residential Purchase Contract dated October 10, 2022 and the amendments thereto (the "**Sale Agreement**") between Lori Runzer and Dean Runzer (the "**Runzers**") and Barry Roberts and Cynthia Roberts (the "**Purchasers**") appended as Exhibit G to the Affidavit of Lori Runzer sworn October 21, 2022 for the sale to the Purchasers of the Runzers' right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**") is declared to be commercially reasonable and in the best interests of FireSong Group and its creditors and other stakeholders and is hereby authorized and approved, with such minor amendments as the Runzers and the Purchasers may deem necessary.
2. The Runzers, in consultation with and under the supervision of the Proposal Trustee, are 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 court, tribunals, regulatory bodies or administrative bodies in any jurisdiction in which the Purchased Assets may be located) for the completion of the Transaction or the conveyance of the Purchase Assets to the Purchasers (or their nominee), subject to such amendments as the Runzers and the Purchasers may agree upon, provided that any such amendments do not materially affect the Purchase Price.

#### **VESTING OF PROPERTY**

3. Upon the 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 Proposal Trustee shall deliver to the Purchasers a certificate substantially in the form set out in **Schedule "A"** hereto (the "**Proposal Trustee's Certificate**").
4. The Proposal Trustee may rely on written notices from the Purchasers 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 Proposal Trustee's Certificate.

5. Upon delivery of the Proposal Trustee's Certificate, all of the Runzers' right, title, 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 Purchasers (or their nominee, 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 filed and whether secured, unsecured, or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing:

- (a) any Encumbrances or charges created by an Order in the within proceedings;
- (b) all charges, security interest or claims evidenced by registrations pursuant to *The Personal Property Security Act*, RSA 2000, c P-7, or any other personal property registry system;
- (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) those Encumbrances listed in **Schedule "D"** hereto;

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.

6. Upon delivery of the Proposal Trustee's Certificate to the Purchasers, the FireSong Group shall 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.

7. Pursuant to section 190 of the Alberta LTA, the Alberta Registrar of Titles shall be and is hereby directed:

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

(i) Plan 9022793 Block 1 Lot 11 in the Province of Alberta (the "**Real Property**")

and to set up a new title to such Real Property in the name of the Purchasers (or their nominee) as owner free and clear 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.

8. Any and all registration charges and fees payable in regard to the Land Titles Application shall be to the account of the Purchasers.

9. For the purposes of determining the nature and priority of the Encumbrances:

(a) the net proceeds from the sale of the Purchased Assets, comprising the gross proceeds derived from the Transaction, less unpaid property taxes, real estate commissions and

closing costs comprising professional fees and disbursements incurred by the Runzers to close the Transaction (the "**Net Sale Proceeds**") shall stand in the place and stead of the Purchased Assets; and

- (b) from and after the delivery of the Proposal Trustee's Certificate to the Purchasers, 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, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to closing of the Transaction.

- 9A. The Net Sale Proceeds shall be held in the trust account of MLT Aikins LLP, counsel to the Runzers, until further Order of the Court.
- 10. The Purchasers (and their 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 FireSong Group.
- 11. The Runzers and all persons who claim by, through or under the Runzers 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 Purchasers (or their nominee).
- 12. The Purchasers (or their nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for their own use and benefit without any interference of or by FireSong Group, or any person claiming by or through or against FireSong Group.
- 13. Immediately after the closing of the Transaction, the holders of the Permitted Encumbrances shall have no claim whatsoever against FireSong Group or the Proposal Trustee.
- 14. Forthwith after the delivery of the Proposal Trustee's Certificate to the Purchasers (or their nominee), FireSong Group shall file a copy of the Proposal Trustee's Certificate with the Court, and shall serve a copy of the Proposal Trustee's Certificate on the recipients listed in the Service List and Master List of Partners maintained with respect to these proceedings.
- 15. Notwithstanding:
  - (a) the pendency of these proceedings;
  - (b) any applications for a bankruptcy order now or hereafter issued pursuant to the BIA in respect of the Runzers or FireSong Group and any bankruptcy order issued pursuant to such applications;
  - (c) any assignment in bankruptcy made in respect of the Runzers or FireSong Group; and
  - (d) the provisions of any federal statute, provincial statute or any other law or rule of equity,the vesting of any of the Purchased Assets in the Purchasers (or their nominee) pursuant to this Order and the obligations of the Runzers under the Sale Agreement, shall be binding on any

trustee in bankruptcy that may be appointed in respect of the Runzers or FireSong Group and shall not be void or voidable by creditors of the Runzers or FireSong Group, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

16. The Transaction is exempt from any requirement under any applicable federal or provincial law to obtain shareholder approval and is exempt from the application of any bulk sales legislation in any Canadian province or territory.

#### MISCELLANEOUS MATTERS

17. FireSong Group, the Purchasers (or their nominee), the Proposal Trustee and any other interested party, shall be at liberty to apply for further advice, assistance and directions as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction, including, without limitation, an application to the Court to deal with interests which are registered against title to the Real Property after the time of the granting of this Order.
18. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist FireSong Group, the Purchasers, and the Proposal Trustee and their agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders as to provide such assistance as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist in carrying out the terms of this Order.

ISSUED at Saskatoon, Saskatchewan, this 27<sup>th</sup> day of October, 2022.

  
\_\_\_\_\_  
(Deputy) Local Registrar

#### 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**

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

**SCHEDULE "A"**  
**FORM OF PROPOSAL TRUSTEE'S CERTIFICATE**

**COURT FILE NUMBER    QBG-SA-01076-2021**

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**PROPOSAL TRUSTEE'S CERTIFICATE**

**RECITALS**

- A. Pursuant to an Order of the Court dated October 27, 2022, the Court approved the agreement of purchase and sale made as of October 10, 2022 and the amendments thereto (the "**Sale Agreement**") between Lori Runzer and Dean Runzer (the "**Runzers**") and Barry Roberts and Cynthia Roberts (the "**Roberts**") and provided for the vesting in the Purchasers of the Runzers' 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 Proposal Trustee to the Purchasers of a certificate confirming (i) the payment by the Purchasers of the Purchase Price for the Purchased Assets; (ii) that the conditions to closing as set out in Section 8 of the Sale Agreement have been satisfied or waived by the Runzers and the Purchasers; and (iii) the Transaction has been completed to the satisfaction of the Proposal Trustee.
  
- B. Unless otherwise indicated herein, terms with initial capital letters have the meanings set out in the Sale Agreement.

**THE PROPOSAL TRUSTEE CERTIFIES** the following:

- 1. The Purchasers (or their nominee) have paid and the Runzers have received the Purchase Price for the Purchased Assets payable on the Completion Day pursuant to the Sale Agreement;
  
- 2. The conditions to closing as set out in Section 8 of the Sale Agreement have been satisfied or waived by the Runzers and the Purchasers (or their nominee);
  
- 3. The Transaction has been completed to the satisfaction of the Proposal Trustee; and
  
- 4. This Certificate was delivered by the Proposal Trustee at **[Time]** on **[Date]**.

**MNP Ltd. in its capacity as Proposal Trustee  
respecting FireSong Group and not in its personal  
capacity.**

**Per;** \_\_\_\_\_  
**Name:**  
**Title:**



**SCHEDULE "B"**

**PURCHASED ASSETS**

- (i) Plan 9022793 Block 1 Lot 11 in the Province of Alberta.

**SCHEDULE "C"**

**PERMITTED ENCUMBRANCES**

- (i) Registration 902 297 521 – Utility Right of Way in favour of The County of Strathcona No. 20.

**SCHEDULE "D"**

**ENCUMBRANCES TO BE DISCHARGED**

- (i) Registration 902 297 524 – Caveat in favour of Bradson Holdings Ltd.
- (ii) Registration 132 120 086 – Mortgage in favour of Alberta Treasury Branches; and
- (iii) Registration 172 154 477 – Mortgage in favour of Olympia Trust Company;
- (iv) Registration 172 154 478 – Assignment of Rents and Leases in favour of Olympia Trust Company;
- (v) Registration 182 124 419 – Writ in favour of Shurli Massell;
- (vi) Registration 222 018 722 – Writ in favour of Darren Kim Haverstock and Nancy Haverstock;
- (vii) Registration 222 134 607 – Writ in favour of ATB Financial; and
- (viii) Pending Registration for Builders' Lien in favour of 2341713 Alberta Ltd.