

COURT FILE NUMBER	QBG 1076 of 2021
COURT	COURT OF QUEEN'S BENCH OF SASKATCHEWAN IN BANKRUPTCY AND INSOLVENCY
JUDICIAL CENTRE	SASKATOON
IN THE MATTER OF THE DIVISION I PROPOSAL OF	CANADIAN DEVELOPMENT STRATEGIES INC., 1143402 ALBERTA LTD., CROSSROADS ONE INC., 1216699 ALBERTA LTD., OAK AND ASH FARM LTD., 2061778 ALBERTA LTD., LORI RUNZER AND DEAN RUNZER
DOCUMENT	FIFTH REPORT OF THE PROPOSAL TRUSTEE, MNP LTD., DATED JUNE 30, 2022
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	W Law LLP Attention: Mike Russell Suite 300, 110 21 st St. E Saskatoon, SK S7K 0B6 Phone: 306.244.2242 Counsel to the Proposal Trustee, MNP Ltd.

Introduction and Purpose of the Report

1. Canadian Development Strategies Inc. ("**CDSI**"), 1143402 Alberta Ltd. ("**114**"), Crossroads One Inc. ("**Crossroads**"), 1216699 Alberta Ltd. ("**121**"), Oak and Ash Farm Ltd. ("**Oak and Ash**"), and 2061778 Alberta Ltd. ("**206**") (collectively referred to as the "**FireSong Group**") each filed a Notice of Intention to Make a Proposal ("**NOI**") on September 29, 2021, and MNP Ltd. consented to act as proposal Trustee. The Trustee issued a copy of the NOI to all known creditors on October 1, 2021.
2. Lori and Dean Runzer (the "**Runzers**"), both of whom are directors and shareholders of the FireSong Group (hereinafter referred to in this capacity as "**Management**"), also filed NOIs in their personal capacities on September 30, 2021, and MNP Ltd. consented to act as proposal Trustee for each. The Trustee issued a copy of the NOI to all known creditors on October 1, 2021.
3. The Trustee has prepared the Trustee's Fifth Report to Court (the "**Fifth Report**") in order to provide the Court with a general update on the FireSong Group matters, to comply with provisions of the December 22, 2021, Order of the Court of Queen's Bench (the "**Court**") for Saskatchewan (the "**December Order**") and to seek an increase of the Administrative Charge originally approved by the Court in an order granted in these proceedings dated December 13, 2022 (the "**December 13 Order**").
4. A copy of the December Order is attached as **Schedule "A"**.
5. The Fifth Report should be read in conjunction with the Trustee's First Report to Court dated October 21, 2021 (the "**First Report**"), the Trustee's Second Report to Court dated December 6, 2021 (the "**Second Report**"), the Trustee's Third Report to Court (the "**Third Report**") dated December 17, 2021, and the Trustee's Fourth Report to Court (the "**Fourth Report**") dated January 20, 2022.

6. In addition, the Trustee has filed the following Material Adverse Change Reports (collectively, the "**MAC Reports**") in these proceedings:
 - a. MAC Report dated December 1, 2021;
 - b. MAC Report dated January 17, 2022; and,
 - c. MAC Report dated June 8, 2022.
7. Capitalized terms not defined in the Fifth Report are as defined in the December Order or, alternatively, as defined in the First Report, the Second Report, the Third Report and the Fourth Report.

General Update Regarding Proceedings

8. The following proposals were filed with the Office of the Superintendent of Bankruptcy on March 11, 2022 (collectively, the "**Proposals**"):
 - a. joint proposal to the creditors of Oak and Ash and 206 (the "**Oak-206 Proposal**");
 - b. proposal to the creditors of 114 (the "**114 Proposal**");
 - c. proposal to the creditors of CDSI ("**the CDSI Proposal**"); and,
 - d. the joint proposal of Lori Runzer and Dean Runzer (the "**Runzer Proposal**").
9. Crossroads and 121 elected not to file proposals, resulting in a deemed assignment in bankruptcy for each occurring on March 14, 2022.
10. The first meeting of creditors (each, an "**FMC**") relating to the Oak-206 Proposal was held on March 31, 2022, while the FMCs for the 114 Proposal, the CDSI Proposal and the Runzer Proposal were held on April 1, 2022.
11. Prior to the commencement of the FMCs, a creditor in the proceedings requested additional information concerning the affairs of the FireSong Group which included, in part, questions surrounding the sale of certain property prior to commencement of the insolvency proceedings. The additional questions raised were unable to be answered prior to the commencement of the FMCs.
12. As a result of additional time required to further investigate the affairs of the FireSong Group, each of the FMCs were adjourned (to no specific date) by the requisite number of proven creditors at each such FMC.
13. The Trustee has been corresponding with Management and its counsel to obtain additional financial and other information in order to satisfy several outstanding questions posed by creditors in these proceedings (as well as issues identified by the Trustee) and which are critical to determining the Trustee's recommendation to the creditors in respect of acceptance of the Proposals. A non-exhaustive list of the ongoing issues and outstanding information is set out as follows:
 - a. financial and other information to support the extent of 114's financial interest in the Cranbrook Property has been requested, but the requisite details have not been provided to the satisfaction of the Trustee as of the date of the Fifth Report;
 - b. financial or other information outlining the support for services provided by Benjamin Runzer to 114 in regard to the Cranbrook Property has been requested, but the requisite details have not been provided to the satisfaction of the Trustee as of the date of the Fifth Report;
 - c. the basis and rationale for certain post-filing payments made by the Runzers, in their personal capacities, to or on behalf of related parties have been queried, but not answered to the satisfaction of the Trustee;

- d. Management has advised that the anticipated equity which was previously identified as being available in the Oak and Ash Lands and the 206 Lands has deteriorated due to change in the anticipated sale value. Details surrounding the anticipated equity (if any) available for the creditors has been requested, but has not been provided to the satisfaction of the Trustee as of the date of the Fifth Report. Without a clear understanding of the forementioned equity position, the viability of the Oak-206 Proposal remains uncertain;
 - e. the Runzer Proposal requires the posting of reasonable security in accordance with Section 59(3) of the *Bankruptcy and Insolvency Act* (“**BIA**”) due to a past insolvency filing by the Runzers. To date, the Trustee has not received satisfactory information to support that this requirement of the BIA can be met;
 - f. the cashflow statements of the FireSong Group continue to project and rely for viability upon the sale of fractional shares in the Cabins; however, there has been no information supplied to the Trustee to evidence that the sale of fractional shares is imminent or that the FireSong Group has the requisite funding or resources to commence a fractional share marketing or sales process;
 - g. third party financing has been secured by way of an assignment of the debt and mortgage of ATB to the third party in respect of the Oak and Ash Lands. The Trustee has requested, but has not been provided details regarding the third-party financing, including whether or not the financing included any amount above the amount payable to ATB (i.e., equity) payable to Oak and Ash;
 - h. Management has not been able to produce financial books and records related to the FireSong Group to the satisfaction of the Trustee that would allow a proper investigation into the flow of funds to purchase certain assets, including (but not limited to) deposits paid on lands purchased by Oak and Ash and monies received by 114 in relation to certain lots which are purported to be held in trust for it;
 - i. Management has not been able to provide adequate support for certain post-filing activities, including information surrounding historical and upcoming rental revenue and payment of certain expenditures;
 - j. Management continues to co-mingle assets (e.g., rental revenue) of the FireSong Group with their own personal resources without proper accounting records; and
 - k. Management has commingled assets of an outside entity, known as the “Homeowner’s Association”, with its own personal resources and was unable to produce proper accounting records when requested by the Trustee.
14. Management has also advised that it has been in discussions with a third party with a view of obtaining refinancing to satisfy the secured debts of 114 and to fund capital required to begin the fractional share marketing and sales process. The Trustee has not received any documentation which would suggest that receipt of the third-party financing is imminent or realistic.
15. Given the nature and volume of outstanding financial and other information outlined above, the Trustee has advised Management that the Trustee is presently unable to recommend acceptance of the Proposals to the creditors based on matters as they stand as set out in this Fifth Report.
16. Moreover, the Trustee has been unable to issue any notices in regard to the reconvening of the FMCs, as a result of the failure by the FireSong Group to provide revised Proposals required to address certain of the issues raised herein.

Review of Matters outlined in the December Order

17. The December Order provided, in part, that:

- a. the Trustee shall instruct the Trustee's counsel to review the mortgage currently registered against title to the Property (the "**Hoeller Mortgage**") in favour of Yvonne Hoeller and to provide the trustee with an independent legal opinion (the "**Hoeller Mortgage Opinion**") regarding:
 - i. the validity and enforceability of the Hoeller Mortgage;
 - ii. whether and to what extent Yvonne Hoeller has dealt with the FireSong Group and Benjamin Runzer and Dallas Runzer "at arms length", within the meaning of that phrase in section 4(5) of the BIA; and
 - iii. whether and to what extent any facts have come to the attention of the Trustee which would indicate to the Trustee that the Hoeller Mortgage may constitute a preference or transfer at undervalue in accordance with sections 95 and 96 of the BIA or equivalent provincial legislation.
- b. the Trustee shall, upon satisfactory receipt by the Trustee of the requisite records (as defined in the December Order) engage its legal counsel to:
 - i. review the circumstances surrounding the creation of the trust declaration dated May 16, 2008 (the "**Trust Declaration**") whereby 114 (as trustee) agreed to hold legal title to the Cranbrook Property in trust for Benjamin Runzer ("**Benjamin**"); and
 - ii. prepare a report to the Court on the validity of the Trust Declaration and whether (and to what extent) 114 has a financial interest in the Cranbrook Property.

Review of Hoeller Mortgage

18. The Trustee engaged W Law LLP (the "**Trustee's Counsel**") as its counsel in these proceedings, and instructed it to review and opine on the validity of the Hoeller Mortgage.

- a. In the context of its review, Trustee's Counsel has reviewed information sourced from:
 - b. Yvonne Hoeller (through legal counsel);
 - c. the records of 114 (to the extent available);
 - d. various public searches; and
 - e. information supplied by Miller Thomson LLP, counsel to certain creditors of 114.

19. A summary of the Trustee's Counsel's findings is set out below.

Validity and Enforceability of Hoeller Mortgage

20. Based on the review conducted by the Trustee's Counsel, the Hoeller Mortgage was determined to be valid and enforceable, creating a first position charge on the Cranbrook Property.

Determination of Arm's Length Relationship

21. Based on the review conducted by Trustee's Counsel, Yvonne Hoeller appears to be "at arm's length" to the FireSong Group, Benjamin Runzer and Dallas Runzer.

Preference and Transfer at Undervalue Concerns

22. Based on the review conducted by Trustee's Counsel, no facts have come to the attention of the Trustee which indicate to the Trustee that the Hoeller Mortgage may constitute a preference or transfer at undervalue in accordance with sections 95 and 96 of the BIA or equivalent provincial legislation.

Review of Additional Information

23. Miller Thomson LLP, counsel to certain unsecured creditors of 114, provided additional detail by way of legal correspondence and an affidavit of its client containing additional information which it asserted was relevant to the Hoeller Mortgage, and which it requested the Trustee and the Trustee's Counsel to review in determining the opinion(s) set out above.
24. After taking significant additional time to conduct a thorough review, Trustee's Counsel determined that the information supplied by Miller Thomson LLP did not alter the overall outcome of its opinion on the Hoeller Mortgage and that the information was, in large part, related to issues outside of the Hoeller Mortgage matter.

Review of Trust Declaration

25. The Trustee sought copies of all relevant books and records in relation to the Trust Declaration, including copies of financial records substantiating the payment of mortgage funds by 114 (or a related entity) in respect of the Cranbrook Property.
26. Management has previously confirmed to the Trustee that 114 (and/or CDSI) paid the monthly mortgage costs for the Cranbrook Property on behalf of Benjamin Runzer in exchange for services provided by Benjamin Runzer to the FireSong Group.
27. As a result of its request for records, the Trustee received the following documentation:
- a. a copy of the Trust Declaration;
 - b. an email from Lori Runzer as to the basis for the valuation of the work completed by Benjamin Runzer; and
 - c. a "sample invoice" regarding materials and/or services supplied by Benjamin Runzer in exchange for the payments of the mortgage costs by 114 (and/or CDSI).
- (collectively, the "**Trust Declaration Documents**").

28. Copies of the Trust Declaration Documents are attached collectively as **Schedule "B"**.
29. The Trustee's counsel is in the process of reviewing the Trust Declaration Documents with a view of opining on the matter, if possible. The Trustee anticipates filing a supplemental report to the Court in relation to this matter before the hearing date scheduled for July 14, 2022.

Professional Fees

30. As set out in the December Order, the professional fees associated with the above noted review form a priority charge over the Cranbrook Property and the proceeds of the third-party financing (the "**Pioneer Financing**") in relation to the Cranbrook Property transaction (the "**Trustee's Charge**"). As of the date of the Fifth Report, the professional fees expended in regard to the Hoeller Mortgage Opinion total \$7,270.20 (inclusive of GST) in relation to the fees incurred by the Trustee and \$18,677.30 (inclusive of GST) in relation to the fees and disbursements incurred by the Trustee's Counsel.
31. A copy of the Trustee's invoice referred to in paragraph 30 is attached as **Schedule "C"**.

32. A copy of the Trustee's counsel's invoice referred to in paragraph 30 is attached as **Schedule "D"**.
33. The fees and disbursements above relate only to the portion of the review concerning the Hoeller Mortgage opinion and do not include other work performed pursuant to the December Order, including the preparation of this Fifth Report, this application to Court or the review of the Trust Declaration matters. Further invoices will be rendered and included in the supplemental report the Trustee will file once the Trust Declaration review has been completed.

Administrative Charge

34. In accordance with a December 13 Order, the Court approved an administrative charge on the property of the Runzers and the Fire Song Group in the sum of \$100,000. (the **"Administrative Charge"**). The Administrative Charge was granted to secure payment of the fees of the Trustee and counsel to the Runzers and the FireSong Group, MLT Aikins LLP (**"Debtor Counsel"**).
35. As evidenced by the material before the Court, including the contents of this Fifth Report, the Trustee, with the assistance and under the guidance of Trustee's Counsel, has been required to take substantial additional investigatory steps with respect to the property and business affairs of the FireSong Group and the Runzers.
36. Additionally, the Trustee was required to engage Trustee's Counsel to assist the Trustee with a review of certain creditor claims, among other issues.
37. Given the myriad of issues, the substantial amount of time required to attempt to investigate and report on such issues and the lack of financial or other information readily available to the Trustee, the professional fees to administer the Proposals have increased substantially from what was originally anticipated.
38. As such, the Trustee is seeking to increase the Administrative Charge from \$100,000 to \$275,000, with such charge continuing over all property of the Fire Song Group and the Runzers to cover the professional fees of each of the Trustee, Trustee's Counsel, and counsel to the FireSong Group.

Conclusion

39. The Trustee is filing its Fifth Report to Court to:
- a. advise the Court that, in the opinion of the Trustee, the Hoeller Mortgage is valid and enforceable and forms a first-ranking charge on the Cranbrook Property (and by extension, on the Pioneer Financing held in trust with Trustee's counsel);
 - b. report to the Court, to the extent possible, in relation to the Trust Declaration and the extent of 114's financial interest in the Cranbrook Property as required in accordance with the December Order;
 - c. seek approval of the Court to pay from the Pioneer Financing, after satisfaction of all amounts owing in regard to the Hoeller Mortgage, the sum of \$25,947.50, plus additional amounts to be included in the Supplementary Report of the Proposal Trustee, in accordance with the Trustee's Charge as set out in the December Order; and
 - d. Seek an increase in the Administrative Charge in favour of the Trustee, the Trustee's Counsel and the Debtors' Counsel from \$100,000 to \$275,000.

All of which is respectfully submitted on this 30th day of June 2022.

MNP Ltd.

In its capacity as Trustee in the Division I Proposal of
**Canadian Development Strategies Inc., 1143402 Alberta Ltd., Oak and Ash Farms Ltd.,
2061778 Alberta Ltd., Lori Runzer and Dean Runzer**
and not in its personal capacity



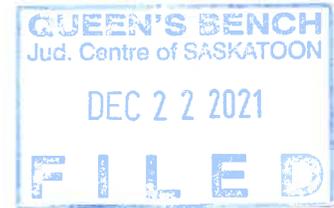
Per: Karen Aylward, CIRP, Licensed Insolvency Trustee
Vice President

SCHEDULE "A"

COURT FILE NUMBER QBG 1076 of 2021

COURT OF QUEEN'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

ORDER
(Winding up Trust and Vesting Trust Property in Beneficiary)

Before the Honourable Mr. Justice N.G. Gabrielson in Chambers the 22nd day of December, 2021.

Upon the application by Jeffrey M. Lee, Q.C. and Dana Nowak, counsel on behalf of 1143402 Alberta Ltd., Canadian Development Strategies Inc., Crossroads One Inc., Oak and Ash Farm Ltd., 1216699 Alberta Ltd., 2061778 Alberta Ltd., Dean Runzer, and Lori Runzer (collectively, the "**FireSong Group**") and Benjamin Runzer, and upon hearing from Mike Russell of the law firm of W Law of Saskatoon, Saskatchewan ("**Trustee's Counsel**"), legal counsel to MNP Ltd., the proposal trustee of the FireSong Group (the "**Trustee**"), and upon reading the Notice of Application returnable on December 20, 2021, the Affidavit of Lori Runzer sworn October 21, 2021, the Affidavit of Lori Runzer sworn on December 6, 2021, the Affidavit of Lori Runzer sworn on December 17, 2021 (the "**Third Runzer Affidavit**"), 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 Order (Draft Order), and Brief of Law on Behalf of the Applicant, all filed; and the pleadings and proceedings herein;

The Court orders:

SERVICE

1. Service of the Notice of Application on behalf of the FireSong Group, including 1143402 Alberta Ltd. ("**114**") and Benjamin Runzer, 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.

WINDING UP TRUST AND VESTING TRUST PROPERTY IN BENEFICIARY

2. Subject to paragraphs 3, 4 and 5 hereof, the Registrar of the Kootenay Land District (the "**Kootenay Land District Registrar**") shall be and is hereby directed to register title to that property legally described as Lot 25, District Lots 10353 and 10354 Kootenay District Plan 14398 (the "**Property**") in the name of Benjamin Warren Runzer ("**Benjamin**") and Dallas Marie Runzer, as joint tenants, subject only to the following encumbrances, namely:
 - (a) the proposed mortgage in favour of Pioneer West Acceptance Corporation in the amount of \$600,000; and
 - (b) the Trustee's Charge (as defined below).
3. 114, Benjamin and Dallas Marie Runzer (Benjamin and Dallas Marie Runzer are hereinafter collectively referred to as the "**Runzers**") shall be and are hereby authorized, ordered and directed to take all steps necessary to enter into and perform their respective obligations under the mortgage commitment contract with Pioneer West Acceptance Corporation ("**Pioneer**") dated December 6, 2021 (the "**Pioneer Mortgage Commitment Contract**") and to facilitate the advance of financing by Pioneer directly to Trustee's Counsel in the net amount of \$563,000 (the "**Pioneer Financing**").
4. Forthwith upon its receipt of the proceeds of the Pioneer Financing, Trustee's Counsel shall deliver a letter to the Runzers (and/or British Columbia conveyancing legal counsel acting on behalf of the Runzers) confirming that Trustee's Counsel has received the proceeds of the Pioneer Financing (the "**Confirmation of Receipt of Financing Letter**").
5. The sole persons authorized or permitted to submit this Order to the Kootenay Land District Registrar shall be the Runzers (and/or British Columbia conveyancing legal counsel acting on behalf of the Runzers). Further, and in particular, the Runzers (and/or British Columbia conveyancing legal counsel acting on behalf of the Runzers) shall not be authorized or permitted to submit this Order to the Kootenay Land District Registrar until such time as the Runzers or their counsel have received from Trustee's Counsel the Confirmation of Receipt of Financing Letter.

6. Subject to paragraph 13 hereof, the proceeds of the Pioneer Financing shall be held in trust by Trustee's Counsel, and shall not be paid to any party with the exception of any amounts owing to the municipality in respect of outstanding property taxes, inclusive of interest and penalties owing respecting the Property (the "**Outstanding Property Taxes**") and the reasonable costs incurred by the Runzers in closing the Pioneer Financing (the "**Closing Costs**"), and such Outstanding Property Taxes and Closing Costs may be paid from and out of the proceeds of the Pioneer Financing without further Order of this Honourable Court.
7. Subject to the Trustee's Charge, the Pioneer Financing shall stand in place and stead of the Property and the Hoeller Mortgage (as hereinafter defined) and any claim that could have been raised against the Property may be asserted against the Pioneer Financing with the same priority as it had with respect to the Property immediately prior to the closing of the Pioneer Commitment Contract and as if the Property had not been transferred to Benjamin and Dallas Marie Runzer and remained in the possession or control of the person having that possession or control immediately prior to the transfer.
8. The Trustee shall be and is hereby directed, upon satisfactory receipt by the Trustee of the requisite Records in accordance with paragraph 15 hereof (in the sole discretion of the Trustee):
 - (a) to review the circumstances surrounding the creation of the trust declaration dated May 16, 2008 (the "**Trust Declaration**") whereby 114 (as trustee) agreed to hold legal title to the Property in trust for Benjamin;
 - (b) to review such other matters and issues as the Trustee deems advisable;
 - (c) to engage Trustee's Counsel to assist the Trustee in its review; and
 - (d) to prepare a report to the Court (the "**Trustee's Report**") on:
 - i. the validity of the Trust Declaration; and
 - ii. whether and to what extent (if any) 114 has a financial interest in the Property.
9. The Trustee shall instruct Trustee's Counsel to review the mortgage currently registered against title to the Property (the "**Hoeller Mortgage**") in favour of Yvonne Hoeller and to provide the Trustee with an independent legal opinion (the "**Hoeller Mortgage Opinion**") regarding:
 - (a) the validity and enforceability of the Hoeller Mortgage;
 - (b) whether and to what extent Yvonne Hoeller has dealt with 114, Canadian Development Strategies Inc., Crossroads One Inc., Oak and Ash Farm Ltd., 1216699 Alberta Ltd., 2061778 Alberta Ltd., Dean Runzer, Lori Runzer, Benjamin Runzer and Dallas Runzer "at arm's length", within the meaning of that phrase in section 4(5) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the "**BIA**"); and
 - (c) whether and to what extent any facts have come to the attention of the Trustee which indicate to the Trustee that the Hoeller Mortgage may constitute a preference or transfer at undervalue in accordance with sections 95 and 96 of the BIA or equivalent provincial legislation.
10. Upon its receipt of the Hoeller Mortgage Opinion, the Trustee shall prepare and file with this Court a report summarizing the substance of the Hoeller Mortgage Opinion insofar as it pertains to the questions set out in paragraphs 9(a), (b) and (c) of this Order, in such a manner as to maintain whatever solicitor-client privilege (if any) the Trustee claims in regard to the Hoeller Mortgage Opinion (the "**Trustee's Hoeller Mortgage Report**").

11. For greater clarity, the professional fees and disbursements of the Trustee and its legal counsel to carry out the tasks described above in paragraphs 8, 9 and 10 above are for the account of, and shall be paid by, Benjamin.
12. There shall be and is hereby created a charge on the Property and on the proceeds of the Pioneer Financing in favour of the Trustee (the "**Trustee's Charge**") in order:
 - i. to secure the payment of the professional fees and disbursements of the Trustee and Trustee's Counsel for work performed pursuant to this Order, including, without limitation, in relation to the Trustee's Report and the Trustee's Hoeller Mortgage Report; and
 - ii. to ensure that any remaining equity in the Property subsequent to title to the Property being vested in the name of the Runzers is preserved for the benefit of 114 and its creditors pending the preparation and delivery of the Trustee's Report and the Trustee's Hoeller Mortgage Report.
13. Subsequent to its filing with this Honourable Court of the Trustee's Report and the Trustee's Hoeller Mortgage Report, the Trustee shall promptly schedule a hearing before this Court (on notice to 114, Benjamin, the Trustee and the parties on the Service List in these proceedings) in order for this Honourable Court to decide:
 - (a) whether and to what extent it is appropriate for Trustee's Counsel to cause the proceeds of the Pioneer Financing to be utilized to pay out the balance owing on the Hoeller Mortgage in its entirety;
 - (b) whether and to what extent it is appropriate for Trustee's counsel to cause the remainder of the proceeds of the Pioneer Financing (subsequent to the payout of the Hoeller Mortgage in its entirety) to be paid to the order of the Runzers;
 - (c) whether and to what extent it is necessary or appropriate for the Trustee's Charge to be maintained on title to the Property or to be discharged from title to the Property;
 - (d) the validity of the Hoeller Mortgage; and
 - (e) the validity of the Trust Declaration.
14. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction to give effect to this Order and to assist in the carrying out of the terms of this Order.

MISCELLANEOUS MATTERS

15. All persons having notice of this Order (including, without limitation, 114, Benjamin and the Runzers) shall forthwith advise the Trustee of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of 114, Benjamin or any other person in relation to the Trust Declaration and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that person's possession or control, and shall provide to the Trustee or permit the Trustee to make, retain and take away copies thereof and grant to the Trustee unfettered access to and use of accounting, computer, software and physical facilities relating thereto provided, however, that nothing in this paragraph shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Trustee due to the privilege attaching to solicitor-client communication or documents prepared in contemplation of litigation or due to statutory provisions prohibiting such disclosure.

16. The Trustee shall have leave to apply to this Court for advice and directions in relation to this Order on seven days notice to those parties who were served with this Order in accordance with paragraph 17 hereof.
17. Service of this Order on any party not attending this application is hereby dispensed with.

ISSUED at Saskatoon, Saskatchewan, this 22nd day of December, 2021.



(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, Q.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 "B"

DECLARATION OF TRUST

BACKGROUND:

- A. **1143402 Alberta Ltd** of Sherwood Park, AB has agreed with BENJAMIN WARREN RUNZER, to hold for and on his behalf, his interest in certain real property as described as follows:

3618 Spruce Ridge Road

Lot 25 District Lots 10353 and 10354 Kootenay District Plan 14398

Transfer date: May 16, 2008

- B. All right, title and interest of **1143402 Alberta Ltd** in the Lands is beneficially owned by Benjamin Warren Runzer.

NOW THEREFORE THIS DEED WITNESSES that **1143402 Alberta Ltd**

1. acknowledges and declares that it and its successors and assigns shall, from the date of this Declaration forward, stand possessed of the Lands and any interests in the Lands, subject to the terms, conditions, covenants and provisions contained in any mortgages, deeds, leases, subleases and other indentures or documents relating thereto, in trust, for the use, benefit and advantage of Benjamin Warren Runzer; and
2. covenants and agrees with Benjamin Warren Runzer that he and his successors will, at his written request and at his expense, assign, modify, transfer, release, mortgage, charge or otherwise deal with, to the extent permitted under relevant laws, the Lands or any interest in the Lands at any time and in such manner as he may in writing direct;

PROVIDED HOWEVER, that **1143402 Alberta Ltd** shall have the right and power to execute and deliver assignments, modifications, transfers, releases, leases, mortgages, charges and other deeds or documents without delivering proof to any person (including any party to such assignment, modification, transfer, release, lease, mortgage, charge or other deed or document and including the Registrar of the appropriate Land Titles Office or other such registry as may be applicable) of any written direction by Benjamin Warren

DECLARATION OF TRUST

Runzer that such assignment, modification, transfer, release, lease, mortgage, charge or other deed or document be executed and delivered.

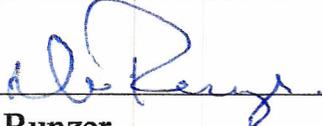
It is acknowledged that in consideration of **1143402 Alberta Ltd** holding the Lands and all its interest in the Lands in trust for **Benjamin Warren Runzer** for himself and his successors and assigns:

- (a) agrees that it will at all times indemnify and hold harmless **1143402 Alberta Ltd** and its successors and assigns, and that **1143402 Alberta Ltd** and such successors and assigns will at all times be indemnified and held harmless against all actions, proceedings, demands, costs, losses and liabilities of whatsoever kind or nature including without limitation, any liabilities in respect of any mortgages or other encumbrances in respect of the Lands, any income, capital gains, land transfer, property purchase or other taxes in any way arising out of or relating to the Lands or any interest in the Lands and the holding of sums by **1143402 Alberta Ltd** in trust for **Benjamin Warren Runzer** as beneficial owner; and
- (b) releases **1143402 Alberta Ltd** and its successors and assigns from all sums of money, claims, demands, actions, proceedings and accounts including without limitation all income, capital gains, land transfer, property purchase or other taxes arising out of or relating to the Lands or any interest in the Lands and holding the same in trust for **Benjamin Warren Runzer** as beneficial owner.

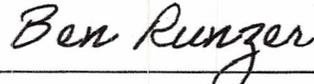
IN WITNESS WHEREOF, **1143402 Alberta Ltd** and **Benjamin Warren Runzer** have executed this Declaration of Trust as of the transfer date of title.

DECLARATION OF TRUST

1143402 ALBERTA LTD.

Per: 
Dean Runzer

Date: May 16, 2008


Benjamin Warren Runzer

Date: May 16, 2008

Karen Aylward

From: Lori Runzer <lrunzer@me.com>
Sent: May 24, 2022 11:49 AM
To: Dana M. Nowak
Subject: Ben's contribution to FireSong Project

 External Sender

Our kids have contributed all of their talents without expectation of handouts.

Ben Runzer has assisted on the build of 5 of the cabins ,helping his dad with drywall, taping and finishing work.

As you can see from these photos the finishings are extensive and the buildings are not small cabins.

We value his contribution across 5 cabins as he help get Firesong established.
This was unbilled work that we value at 30,000 to \$40,000 per cabin



Karen Aylward

From: Lori Runzer <lrunzer@me.com>
Sent: May 24, 2022 11:37 AM
To: Dana M. Nowak
Subject: Cranbrook property suppld the rock to 1143402 AB Ltd
Attachments: Fowler Falls copy.pdf

 External Sender

The narrative detailing the Cranbrook property.

When Ben was headhunted and left for Cranbrook BC he was young, an apprentice and not able to qualify for a mortgage .

1143402AB purchased the property on his behalf and it has never been included as an asset of FireSong and has always been documented as a property held in a baretrust agreement on Ben's behalf.

Ben Runzer is exceptionally hardworking and never takes anything for granted. He was always more than cognizant of his responsibility to cover the payments and any expenses incurred on his or his properties behalf.

For some time the payments were made through 1143402 Alberta Limited however the accountant opted to move the asset and payments out of 1143402 Alberta Ltd so there could never be any confusion as to whether or not that asset comprised an asset of the investor group / shareholders.

Ben built a shop that was bigger than he required looking to use his rental income as a means to payoff his mortgage.

He did so by renting to an individual that privately owned a quarry in the Cranbrook area. By doing so he was able to supply the majority of the rock required to build these waterfalls to FireSong. This arrangement was in place 2013 - 2016

They bartered rent for rock and over the course of several months Ben was able to be the supplier of majority of the rock required for the FireSong build. As the majority of the granite and flagstone was shipped from Cranbrook ... he more than adequately covered his mortgage payments

We have credited 22 loads as Ben's contribution

There were days that 10 semi liner were lined up waiting to unload.

Attached is a weigh bill for a typical load - as we needed more in 2019 we found some samples of the bills

www.RsssRocksBc.com

RSSS Stone Quarries LTD.
3007 Badger Road
Cranbrook, British Columbia V1C 6X6
(250)464-9991

Sold to:

FireSong
1143402 AB Ltd. O/A Fire Song
Box 72210
Sherwood Park, Alberta
Canada T8H 0M6

Ship to:

FireSong
Dean or Lori Ru
contact 780.975
email : Acctspay
email Runzer@

Business No.: 890258130RT0002

Item No.	Unit	Quantity	Description
ticket 298663	tonne(metric)	18.32	small and medium stackable Moyie F Iron Stone, bulk loaded on wood due flat deck FOB Pit 1
ticket 298662	pounds (LBS)	25,331.00	Quartzite Large pattern Gold leaf and West Coast Brown 2 inch flagstone
ticket 298661	pounds(LBS)	24,471.00	Quartzite Small Pattern, Gold Leaf and West Coast Brown 2 inch flagstone
freight			Freight was supplied by Gurpreet, R not responsible for freight this load.
			Subtotal:
			G - GST 5%
			GST

Avery Weigh-Tronix

298662

00 KG GR

1 1990 KG GR

2 3900 KG GR

3 5890 KG GR

4 7820 KG GR

5 9780 KG GR

6 11490 KG GR

25 331 POUNDS

1, 2, 3 IS GL LARGE

Aver

7

11

SCHEDULE "C"

Invoice



Invoice Number : 10324150

Client Number : 0920156

Invoice Date : Apr 18 2022

Invoice Terms : Due Upon Receipt

Canadian Development Strategies Inc.
438 Estate Dr
Sherwood Park, AB T8B 1L8

For Professional Services Rendered :

Trustee's fees in relation to the Cranbrook Property and associated security review. 6,924.00

Goods & Services Tax : 346.20

Total (CAD) : 7,270.20

GST Registration Number : 103697215 RT 0001

Invoices are due and payable upon receipt.

Thank you for your business. We sincerely appreciate your trust in us.

Licensed Insolvency Trustees
10235 101ST N.W., SUITE 1600; EDMONTON AB; T5J 3G1
P: (780) 451-4406 F: (780) 454-1908 www.MNPDebt.ca

Cranbrook Property

21-Dec-2021	Karen Aylward	3.00	1,470.00	multiple emails and calls with M Russell re upcoming application.
22-Dec-2021	Karen Aylward	0.20	98.00	email from/to M Russell
10-Jan-2022	Karen Aylward	0.20	98.00	email from and to M Russell
15-Dec-2021	Eric Sirrs	0.30	201.00	Review draft report and provide comments. Review appraisal.
15-Dec-2021	Karen Aylward	2.50	1,225.00	drafting third report to court/reviewing documents/correspondence with counsel for 114.
19-Jan-2022	Karen Aylward	1.50	735.00	trustee's report/email to counsel re status of opinions/call with counsel for debtor.
28-Jan-2022	Karen Aylward	0.50	245.00	call with M Russell to discussion court application and next steps
14-Jan-2022	Eric Sirrs	0.30	201.00	Meet with KA re status of proposal. Call with counsel for debtor.
13-Dec-2021	Karen Aylward	1.00	490.00	emails from/to counsel for debtor re information requested by court. /email exchanges with Lori
13-Dec-21	Karen Aylward	1.00	490.00	Meetings with counsel re: trust agreement, info required, review of financial data
08-Mar-2022	Karen Aylward	2.00	980.00	email form/to Miller Thomson/Email from and to MLT/ drafting trustee's report to court (hoeller)
09-Mar-2022	Eric Sirrs	0.30	201.00	Review draft report to court.
14-Feb-2022	Karen Aylward	0.50	245.00	review opinion documents/email to M Russell/email from and to J Lee re meeting/email to MS re: review and next steps with financial info.
18-Apr-2022	Karen Aylward	<u>0.50</u>	<u>245.00</u>	finalize repot and billings and prepare to file/serve
		13.80	6,924.00	

SCHEDULE "D"

SUMMARY
PLEASE REMIT WITH PAYMENT

15/03/22

MNP Ltd.
Suite 1300, 10235 101st N. W.
Edmonton, AB
Canada T5J 3G1

Invoice No.: 135844

Re: In the Matter of the Proposal of Runzer
Our File: 46151. 2- MJR

For professional services rendered up to and including 15/03/22:

Fees	\$12,152.50
Non-taxable Disbursements	674.00
Taxable Disbursements	4,076.43
GST on Fees and Taxable Disbursements	811.46
PST on Fees and Taxable Disbursements	962.91
Total Invoice Amount	<u>\$18,677.30</u>
Balance Forward from Previous Invoice(s) plus Interest	<u>0.00</u>
TOTAL AMOUNT NOW DUE	<u><u>\$18,677.30</u></u>

PAYMENT OF THIS ACCOUNT IS DUE ON RECEIPTINTEREST WILL BE CHARGED AT THE RATE OF 12% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS
ACCOUNT IS DELIVEREDPAYMENTS MAY BE MADE BY VISA, MASTER CARD, INTERAC, ETRANSFER OR CHEQUE MADE PAYABLE TO W LAW LLP
OUR GST REGISTRATION NUMBER IS 121614010RT0001

22/12/21 Chambers (Gabrielson J.) ; correspondence to/from K. Aylward and E. Sirrs; telephone attendance on J. Lee, Q.C.; preliminary steps in preparation to conduct Hoeller Mortgage Opinion

04/01/22 Correspondence to J. Lee; reviewing report matters pursuant to court order

05/01/22 Telephone attendance on B. Markus to confirm receipt of all documents comprising security; giving instructions to preparation of Hoeller Mortgage Opinion; correspondence to and telephone attendance on B. La Borie regarding agency work on BC security opinion

06/01/22 Considering opinion matters and request for information from counsel to creditors; correspondence from/to S. Vukovic

06/01/22 Receive and review Order dated Dec 22, 2021 and additional documents from MNP

06/01/22 Review law surrounding related persons as defined under the BIA. Confirm caselaw surrounding definition of preferences undervalue as defined in s.95 and 96 of BIA. Provide memo for discussion.

09/01/22 Correspondence to D. Nowak; considering issues regarding information to complete opinion pursuant to paragraph 9(b) and (c) of order; correspondence to counsel to Haverstock and Massell

11/01/22 Attendance on File - reviewed correspondence from Dustin Gillanders, parameters of the Order and BIA provisions with Mike Russell and researched titles and mortgage registrations re 1143402 Alberta Ltd. and emailed results to Mike Russell

11/01/22 Correspondence from D. Gillanders; telephone attendance on Trustee; telephone attendance on D. Nowak regarding closing of financing matters; correspondence to S. Vukovic; correspondence with BC agency counsel; reviewing case authorities in preparation to draft Hoeller Mortgage Opinion; letter to counsel to M. Dussault

14/01/22 Telephone attendance on D. Gillanders; telephone attendance on D. Nowak

27/01/22 Chambers (Smith J.)

28/01/22 Telephone attendance on MNP; telephone attendance on J. Lee, Q.C.; correspondence to MNP

09/02/22 Drafting and revising Hoeller Mortgage Opinion; reviewing Mortgage Opinion from BC agent; giving instructions to finalization of opinion

10/02/22 Review and revise Hoeller Mortgage Opinion

11/02/22 Review documents re Hoeller Mortgage Opinion letter - draft memo to Karen Aylward and Eric Sirrs.

11/02/22 Finalizing Memorandum to MNP and draft Hoeller Mortgage Opinion for review; correspondence to MNP

14/02/22 Review and assess potential relevance of documents

15/02/22 Memo to MNP re additional documents

15/02/22 Correspondence from Bridgehouse Law; correspondence from/to MNP; reviewing opinion matters; correspondence to MLT Aikins

16/02/22 Edit memo re additional documents

24/02/22 Finalize Holler Mortgage opinion

24/02/22 Correspondence from/to MNP; revising Hoeller Mortgage Opinion; confirming status of documents provided in regard to Hoeller Mortgage Opinion; correspondence to Dentons in regard to ATB security; correspondence to D. Nowak; finalizing and delivering Hoeller Mortgage Opinion; reviewing draft proposal of FireSong Group

OUR FEE	\$12,152.50
Plus 5.00% GST	607.63
Plus 6.00% PST	<u>729.15</u>

TOTAL FEES PLUS TAX(ES) \$13,489.28

NON-TAXABLE DISBURSEMENTS

02/02/22	Land Registry Costs - Application for Interest (Miscellaneous)	660.00
22/12/21	Miscellaneous Costs Re: Alberta Corporate Searches 2061778 Alberta Ltd. and 1216699 Alberta Ltd. Voucher No. 25104 for Invoice No. 46151.2 issued by: (ELDOR)Eldor-Wall Registrations Ltd.	14.00

TOTAL NON-TAXABLE DISBURSEMENTS **674.00**

TAXABLE DISBURSEMENTS

07/01/22	Corporations Branch - Search Re: AB Corporate Profile Report Voucher No. 25171 for Invoice No. 46151.2b issued by: (ELDOR)Eldor-Wall Registrations Ltd.	19.00
07/01/22	Corporations Branch - Search Re: AB Corporate Profile Reports Voucher No. 25170 for Invoice No. 46151.2a issued by: (ELDOR)Eldor-Wall Registrations Ltd.	76.00
12/01/22	Land Registry Costs - Title Detail (5)	60.00
22/12/21	Miscellaneous Costs Re: Alberta Corporate Searches Service Charge for searches Voucher No. 25104 for Invoice No. 46151.2 issued by: (ELDOR)Eldor-Wall Registrations Ltd.	24.00
01/03/22	Miscellaneous Costs - GST and PST Re: Canadian Development Strategies/ Runzer Opinion Cheque No. 95476 For Ref 20258 issued to Bridgehouse Law LLP	3,885.93
	Open File Fee	10.00
	Photocopying	1.50

TOTAL TAXABLE DISBURSEMENTS **4,076.43**

Plus 5.00% GST on Taxable Disbursements	203.83
Plus 6.00% PST on Taxable Disbursements	233.76

TOTAL INVOICE AMOUNT **\$18,677.30**
 Balance Forward from Previous Invoice(s) plus Interest 0.00

TOTAL AMOUNT NOW DUE **\$18,677.30**

W LAW LLP

MJR Legal Prof. Corp.

PAYMENT OF THIS ACCOUNT IS DUE ON RECEIPT

INTEREST WILL BE CHARGED AT THE RATE OF 12% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS ACCOUNT IS DELIVERED

PAYMENTS MAY BE MADE BY VISA, MASTER CARD, INTERAC, ETRANSFER OR CHEQUE MADE PAYABLE TO W LAW LLP
OUR GST REGISTRATION NUMBER IS 121614010RT0001