

COURT FILE NUMBER           KBG-SA-00204-2023

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

JUDICIAL CENTRE            SASKATOON

IN THE MATTER OF THE RECEIVERSHIP OF THE LIGHTHOUSE SUPPORTED LIVING INC.

**NOTICE OF APPLICATION**

(Sale of 1671 104<sup>th</sup> Street, North Battleford, SK)

**NOTICE TO RESPONDENTS: All recipients on the attached Service List**

This application is made against you. You are a respondent. You have the right to state your side of this matter before the Court.

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

Where	Court House, 520 Spadina Crescent East Saskatoon, Saskatchewan
Date	Monday, April 7, 2025
Time	9:30 a.m.

*(Read the Notice at the end of this document to see what else you can do and when you must do it.)*

**Remedy claimed or sought:**

1. MNP Ltd. (the "**Receiver**"), the Court-appointed Receiver of The Lighthouse Supported Living Inc. (the "**Lighthouse**") pursuant to the Order granted in these proceedings by the Honourable Justice A.R. Rothery on April 13, 2023 (the "**Receivership Order**") applies to this Honourable Court for a Sale Approval and Vesting Order:
  - (a) approving the sale of the lands legally described as Surface Parcel #131437010, Lot 13 Blk/Par 85 Plan No C4240 Extension 0 (the "**104 Street NB Property**") to Mark Lawrence Escorpiso (the "**Purchaser**") and vesting title to the 104 Street NB Property in the name of the Purchaser or his nominee, as well as approving the distribution of the proceeds from the sale of the 104 Street NB Property;
  - (b) allocating certain of the net proceeds from the sale of the 104 Street NB Property;
  - (c) approving the interim distribution of \$75,000.00 to Affinity Credit Union 2013 ("**Affinity**") from the funds in the receivership estate received from the sale(s) of property of the Lighthouse previously approved by the Court;
  - (d) approving an alternative auction sale process for the 104 Street NB Property in the event that the sale to the Purchaser fails to close;

- (e) sealing the Confidential Supplement to the Seventh Report of the Receiver dated March 31, 2025 (the “**Confidential Supplement**”) until after the closing of the sale of the 104 Street NB Property;
- (f) approving the Seventh Report of the Receiver dated March 31, 2025 (the “**Seventh Report**”);
- (g) approving the Receiver’s actions, conduct and activities from April 10, 2024 through and including March 31, 2025;
- (h) approving the Receiver’s Interim Statement of Receipts and Disbursements for the period ending March 27, 2025;
- (i) approving the professional fees and disbursements of the Receiver up to and including March 26, 2025 and the professional fees and disbursements of the Receiver’s legal counsel, MLT Aikins LLP (the “**Receiver’s Legal Counsel**”), up to and including February 28, 2025; and
- (j) such further and other relief as counsel may request and this Honourable Court may allow.

**Grounds for making this application:**

**I. Approval of the Sale of the 104 Street NB Property**

2. By Interim Receivership Order dated February 24, 2023 (the “**Interim Receivership Order**”), the Honourable Justice A.R. Rothery granted the power to MNP Ltd., in its capacity as Interim Receiver of the Lighthouse and Blue Mountain Adventure Park Ltd., to market, among other lands, the 104 Street NB Property.
3. On March 23, 2023, the 104 Street NB Property was listed with a licensed realtor with a listing price of \$337,000.00.
4. Pursuant to the Receivership Order, the Honourable Justice A.R. Rothery ordered that MNP Ltd. would continue as interim receiver of the Lighthouse for the purpose of execution and closing the sale of, among other lands, the 104 Street NB Property.
5. No offers were received for the 104 Street NB Property between March 23, 2023 and June 4, 2023, resulting in the listing price being reduced to \$229,000.00.
6. No offers were received for the 104 Street NB Property between June 4, 2023 and January 29, 2024, with the listing price being reduced to \$209,000.00 on January 29, 2024.

7. Three offers to purchase the 104 Street NB Property were received while it was listed for \$209,000.00. All three offers were eventually withdrawn as conditions were not removed.
8. The listing price was subsequently reduced to \$199,900.00 on May 14, 2024, to \$174,900.00 on August 22, 2024, and finally to \$159,000.00 on November 5, 2024.
9. Offers to purchase the 104 Street NB Property were received on November 20, 2024 and January 24, 2025. Both sales failed to close the offerors were not able obtain financing.
10. On February 3, 2025, the Purchaser submitted an offer to purchase the 104 Street NB Property.
11. Offers were also received to purchase the 104 NB Street Property on March 5, 2025 and March 7, 2025, with the Receiver submitting counter-offers with amendments to both offerors.
12. On March 14, 2025, the Purchaser waived all conditions and the Receiver and Mr. Escorpiso negotiated a final form of offer to purchase on March 15, 2025 (the "**Escorpiso Offer**").
13. The 104 Street NB Property has been listed for over two years, with numerous offerors being unable to close their purchase of the property as a result of being unable to remove conditions or to obtain financing.
14. In the Receiver's opinion, the Escorpiso Offer provides a reasonable sale price, a high degree of certainty that the sale will close in accordance with its terms, and the best realistic realizable value in the circumstances in respect of the 104 Street NB Property.

## **II. Approval of Allocation and Distribution**

15. The Receiver is seeking to allocate the proceeds from the sale of the 104 Street NB Property in the following manner:
  - (a) to the City of North Battleford, \$27,600.00 owing by the Lighthouse to the City of North Battleford for outstanding property taxes for the 104 Street NB Property;
  - (b) to the Receiver, the costs of preserving the 104 Street NB Property in the estimated amount of \$34,000.00;
  - (c) to the Receiver, the amount of \$30,000.00 towards outstanding professional fees and disbursements;
  - (d) to the Receiver's Legal Counsel, the amount of \$10,000.00 towards outstanding professional fees and disbursements; and

- (e) the remainder (if any) to Her Majesty The Queen in Right of Canada as Represented by the Minister of National Revenue (“**CRA**”) in partial satisfaction of the amounts owing by the Lighthouse to CRA and charged by the enforcement charge registered against the 104 Street NB Property.

### **III. Sealing of Confidential Supplement**

- 16. The Confidential Supplement includes the full details of the offer received and accepted in the respect of the proposed sale of the 104 Street NB Property. Disclosing this commercially sensitive information (particularly the purchase price) has the potential to jeopardize future sales processes if the sale does not close for any reason. Accordingly, the Confidential Supplement must remain sealed until after the closing of the sale of the 104 Street NB Property.

### **IV. Approval of Interim Distribution**

- 17. There are currently funds in the receivership estate from the sale(s) of property of the Lighthouse previously approved by the Court.
- 18. Affinity holds an interest in all of the Lighthouse’s present and after-acquired property pursuant to a General Security Agreement dated May 9, 2012.
- 19. As at February 24, 2025, Affinity was owed \$638,903.56 by the Lighthouse.
- 20. The Receiver is seeking to distribute \$75,000.00 in funds from the receivership estate to Affinity, with the balance of the funds in the receivership estate being retained by the Receiver for payment of the Receiver’s fees and potential allocation to the costs of the receivership.

### **V. Other Relief Sought**

- 21. In the event that the sale of the 104 Street NB Property to the Purchaser fails to close for any reason (other than a default on the part of the Receiver), the Receiver seeks approval to engage McDougall Auctioneers Ltd. to offer the property for sale by auction.
- 22. The Receiver seeks the usual approvals of its reports, its activities and conduct to date, its Interim Statement of Receipts and Disbursements, and the fees and disbursements of the Receiver and its legal counsel. As more particularly described in its Seventh Report and Confidential Supplement thereto, the Receiver’s mandate has at all times been carried out with efficiency and integrity and with due regard for the interests of all parties, and the professional fees and disbursements of the Receiver and its legal counsel are fair and reasonable.

**Material or evidence to be relied on:**

- 23. This Notice of Application, with proof of service;
- 24. Seventh Report of the Receiver dated March 31, 2025;
- 25. Confidential Supplement to the Seventh Report of the Receiver dated March 31, 2025;
- 26. Draft Sale Approval and Vesting Order (1671 – 104 Street, North Battleford, Saskatchewan) (clean and redline against Saskatchewan Template Sale Approval and Vesting Order);
- 27. Proof of compliance with General Application Practice Directive #3; and
- 28. Such further and other relief as counsel may advise and this Honourable Court may allow.

**Applicable Acts and regulations:**

- 29. *Bankruptcy and Insolvency Act*, RSC 1985, c B-3.
- 30. *The Personal Property Security Act, 1993*, SS 1993, c P-6.2.
- 31. *The King's Bench Act*, SS 2023, c 28.
- 32. *The Non-profit Corporations Act, 2022*, SS 2022, c 25.

DATED at Saskatoon, Saskatchewan, this 1<sup>st</sup> day of April, 2025.

**MLT AIKINS LLP**

Per 

Jeffrey M. Lee, K.C. and Paul Olfert, counsel for the Interim Receiver, MNP Ltd.

**NOTICE**

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. 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 rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the applicant.

**CONTACT INFORMATION AND ADDRESS FOR SERVICE:**

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