

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

(Remaining Property Sale Approvals and Distribution of Proceeds)

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 22, 2024
Time	10:00 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 the following relief:
 - (a) a Sale Approval and Vesting Order approving the sale of the lands legally described as Surface Parcel #131437010, Lot 13 Blk/Par 85 Plan C4240 Ext 0 (the "**104 Street NB Property**") to Arthur Dumaguing ("**Mr. Dumaguing**") and vesting title to the 104 Street NB Property to Mr. Dumaguing or his nominee;
 - (b) a Sale Approval and Vesting Order approving the sale of the lands legally described as Surface Parcel #120256286, Lot 26 Blk/Par 309 Plan No 65S19096 Ext 0 (the "**Cumberland Property**") to The Elizabeth Fry Society of Saskatchewan Inc. ("**Elizabeth Fry**") and vesting title to the Cumberland Property to Elizabeth Fry or its nominee, as well as approving the distribution of the proceeds from the sale of the Cumberland Property;
 - (c) a Sale Approval and Vesting Order:

- (i) approving the sale of the lands legally described as Surface Parcel #119858518, Lot 7 Blk/Par 26 Plan No F5554 Ext 0 and Surface Parcel #120304347, Lot 8 Blk/Par 26 Plan No F5554 Ext 0 (the “**Avenue N Property**”; together with the 104 Street NB Property and the Cumberland Property, the “**Sale Lands**”) to Stacey James Broom (“**Mr. Broom**”) and vesting title to the Avenue N Property to Mr. Broom or his nominee, as well as approving the distribution of the proceeds from the sale of the Avenue N Property;
 - (ii) sealing the Confidential Supplement to the Sixth Report of the Receiver dated April 10, 2024 (the “**Confidential Supplement**”) until after the closing of the sales of the Sale Lands;
 - (iii) approving the Sixth Report of the Receiver dated April 10, 2024 (the “**Sixth Report**”);
 - (iv) approving the Receiver’s actions, conduct and activities from February 14, 2024 through and including April 10, 2024;
 - (v) approving the Receiver’s Interim Statement of Receipts and Disbursements for the period ending March 31, 2024; and
 - (vi) approving the professional fees and disbursements of the Receiver up to and including March 31, 2024 and the professional fees and disbursements of the Receiver’s legal counsel, MLT Aikins LLP (the “**Receiver’s Legal Counsel**”), up to and including March 31, 2024; and
- (d) such further and other relief as counsel may request and this Honourable Court may allow.

Grounds for making this application:

I. Approval of the Sales of the Sale Lands

2. By Interim Receivership Order granted in KBG-SA-00149-2023 dated February 24, 2023 (the “**Interim Receivership Order**”), the Honourable Justice A.R. Rothery granted the Receiver the power to market certain properties located in North Battleford, Saskatchewan, including the 104 Street NB Property.
3. Mr. Dumaguing submitted an offer to purchase the 104 Street NB Property with a number of conditions subject of removal on April 29, 2024 (the “**Dumaguing Offer**”). Although the Dumaguing Offer is currently subject to conditions, the Receiver seeks the Court’s approval to accept the Dumaguing Offer and complete the sale of the 104 Street NB Property in the event that the conditions are removed.

4. By Order (Saskatoon Sales Process and Distribution) dated June 15, 2023 (the “**Sales Process Order**”), the Honourable Justice A.R. Rothery approved a sales process of, among other lands, the Cumberland Property and the Avenue N Property. The Sales Process Order provided for a 90-day exclusivity period during which only prospective purchasers in the non-profit and public sectors were permitted to submit offers to purchase for the Receiver’s consideration (the “**Exclusivity Period**”).
5. Two offers were received from prospective purchasers for the Cumberland Property during the Exclusivity Period. A conditional offer from Elizabeth Fry was accepted by the Receiver for the purchase of the Cumberland Property (the “**Elizabeth Fry Offer**”) and, on March 15, 2024, Elizabeth Fry waived its conditions.
6. The Exclusivity Period elapsed without offers being received from prospective purchasers in the non-profit or public sector for the purchase of the Avenue N Property. Following the Exclusivity Period, Mr. Broom submitted an offer to purchase the Avenue N Property (the “**Broom Offer**”).
7. The Receiver is, subject to the discussion below, of the opinion that additional marketing of the Sale Lands will not result in significantly higher net realization for the creditors of the Lighthouse. Accordingly, the Receiver is of the opinion that it is appropriate to approve the sales of the Sale Lands.
 - A. Approval of Sale of the 104 Street NB Property**
 8. The 104 Street Property has been listed for sale with a licensed real estate agent since approximately the time of the Interim Receivership Order, with the most current list price being \$209,000.00.
 9. The 104 Street NB Property has been listed for sale for an extended period of time. In the Receiver’s opinion, the Dumaguing Offer provides a reasonable sale price, a relatively 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.
 - B. Approval of Sale of the Cumberland Property**
 10. Two offers were received for the purchase of the Cumberland Property during the Exclusivity Period. The Elizabeth Fry Offer comprised (i) a cash payment sufficient to retire the indebtedness registered against the Cumberland Property by Affinity Credit Union 2013, and (ii) an agreement to assume the obligations of the Lighthouse owing to Saskatchewan Housing Corporation (“**SHC**”).

11. The Elizabeth Fry Offer was subject to a number of conditions. Elizabeth Fry waived the conditions on March 15, 2024.
12. The Receiver understands that SHC consents to Elizabeth Fry assuming the Lighthouse's obligations owing to SHC in regard to the Cumberland Property.
13. It is anticipated that Elizabeth Fry will utilize the Cumberland Property to provide services to women and gender-diverse individuals impacted by incarceration.
14. In the Receiver's opinion, the Elizabeth Fry Offer represents the best net realizable value available in the circumstances in respect of the Cumberland Property.

C. Approval of Sale of the Avenue N Property

15. Following the Exclusivity Period, the Avenue N Property was listed for sale with a licensed real estate agent with a list price of \$145,000.00.
16. The Broom Offer has been the only offer received for the Avenue N Property. In the Receiver's opinion, the Broom 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 Avenue N Property.

II. Approval of the Distribution from Sales of the Sale Lands

17. The Receiver is seeking to make the following distributions from the sale proceeds from the sales of the Sale Lands:
 - (a) from the sale proceeds of the Cumberland Property, the amount owing by Lighthouse to Affinity Credit Union 2013 and secured by the Cumberland Property, being approximately \$225,000.00;
 - (b) from the sale proceeds of the Avenue N Property, the amount owing by the Lighthouse to Affinity Holdings Inc. and secured by the Avenue N Property, being approximately \$65,000.00;
 - (c) insofar that the sale proceeds from the Cumberland Property and the Avenue N Property exceed the amounts secured by the mortgages of Affinity Credit Union 2013 and Affinity Holdings Inc. against the properties, for greater certainty, to pay the outstanding professional fees of the Receiver and/or its legal counsel MLT Aikins LLP, to the extent that such legal and professional fees have been approved by the Court.

18. The Receiver is not seeking approval for the distribution of any proceeds from the sale of the 104 Street NB Property at this time.

III. Sealing of Confidential Supplement

19. The Confidential Supplement includes the full details of the offers received and accepted in the respect of the proposed sales of the Sale Lands. Disclosing this commercially sensitive information (particularly the purchase prices) has the potential to jeopardize future sales processes if the sales do not close for any reason. Accordingly, the Confidential Supplement must remain sealed until after the closing of the sales of the Sale Lands.

IV. Other Relief Sought

20. 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 the Sixth Report, 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:

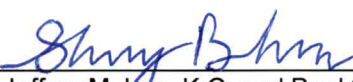
21. This Notice of Application, with proof of service;
22. Sixth Report of the Receiver dated April 10, 2024;
23. Confidential Supplement to the Sixth Report of the Receiver dated April 10, 2024;
24. Draft Sale Approval and Vesting Order (1671 – 104 Street, North Battleford, Saskatchewan) (clean and redline against Saskatchewan Template Sale Approval and Vesting Order);
25. Draft Sale Approval and Vesting Order (2942 and 2944 Cumberland Avenue South, Saskatoon, Saskatchewan) (clean and redline against Saskatchewan Template Sale Approval and Vesting Order);
26. Draft Sale Approval and Vesting Order (215 Avenue N South, Saskatoon, 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 15th day of April, 2024.

MLT AIKINS LLP

Per: 
For 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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