

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.

ORDER

(Saskatoon Sales Process and Distribution of Proceeds)

Before the Honourable Madam Justice A.R. Rothery in Chambers the 15th day of June, 2023.

On the application of MNP Ltd. in its capacity as the Court-appointed receiver (the "**Receiver**") pursuant to the Order of this Court made on April 21, 2023 (the "**Receivership Order**") of the assets, undertakings and properties of The Lighthouse Supported Living Inc. (the "**Debtor**"); and upon hearing from counsel for the Receiver and upon reading the Notice of Application dated June 8, 2023, the Second Report of the Receiver dated June 8, 2023 (the "**Receiver's Report**"), Affidavit of Vanessa Warkentin sworn on June 8, 2023, and a proposed Draft Order, all filed, and the pleadings and proceedings herein:

The Court Orders:

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.

APPROVAL OF SALES PROCESS (SASKATOON PROPERTIES)

2. The Proposed Saskatoon Sales Process, as more particularly described in paragraph 36 of the Receiver's Report, and as reproduced in **Schedule A** to this Order, shall be and is hereby approved.

DISTRIBUTION OF NET SALE PROCEEDS FROM 103 STREET PROPERTY

3. The Receiver shall be and is hereby authorized and directed to make the following distributions from the "**Net Sale Proceeds**" (as that term is defined in the Sale Approval and Vesting Order (1322 – 103 Street) granted by the Honourable Madam Justice A.R. Rothery on April 28, 2023 (the "**103 Street SAVO**")), namely:
 - (a) to MLT Aikins LLP, **\$24,644.87**;
 - (b) to Saskatchewan Housing Corporation, **\$82,316.40**;
 - (c) to be paid into Court to the credit of this cause, **\$77,941.72** (the "**WCB Holdback Funds**"), with such funds to continue to stand in the stead of the "Purchased Assets" pursuant to paragraph 10 of the 103 Street SAVO; and
 - (d) to Canada Revenue Agency, all of the remaining Net Sale Proceeds, in the amount of **\$92,911.32**.

4. WCB, CRA, and/or the Receiver may apply to the Court for directions regarding their respective priority or entitlement to the WCB Holdback Funds and the payment of the same out of Court.
5. The City of North Battleford shall be and is hereby authorized, ordered, and directed to remove the levy in favour of the Saskatchewan Workers' Compensation Board ("**WCB**") in the amount of \$77,941.72 (the "**WCB Levy**") from the property tax roll for the "**Real Property**" (as that term is defined in the 103 Street SAVO).
6. For greater certainty, neither the City of North Battleford nor WCB shall have any further claim or recourse of any kind whatsoever against any of the following in respect of the WCB Levy or any amounts claimed in relation to the Debtor, whether pursuant to *The Workers' Compensation Act, 2013*, SS 2013, c W-17.11 or otherwise, namely:
 - (a) the Net Sale Proceeds (except for the sum of \$77,941.72 paid into Court pursuant to paragraph 3(c) of this Order);
 - (b) the Real Property; and
 - (c) the purchasers of the Real Property, being Cobalt Bay Capital Ltd. and Trevis Ventures Ltd.

APPROVAL OF ACTIVITIES OF THE RECEIVER

7. The Receiver's Report shall be and is hereby approved.
8. The Receiver's actions, conduct and activities from April 22, 2023 through to and including June 8, 2023 shall be and are hereby approved.
9. The Receiver's Interim Statement of Receipts and Disbursements for the period ending on May 31, as set out in the Receiver's Report, shall be and is hereby approved.
10. The professional fees and disbursements of the Receiver, and those of its legal counsel, MLT Aikins LLP, up to and including June 8, 2023, as set out in the Receiver's Report, shall be and are hereby approved.

ISSUED at Saskatoon, Saskatchewan, this 15 day of June, 2023.



(Deputy) Local Registrar

CONTACT INFORMATION AND ADDRESS FOR SERVICE:

Name of firm: MLT Aikins LLP
Lawyer in charge of file: Jeffrey M. Lee, K.C. and Paul Olfert
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File No: 31617.41

SCHEDULE A

Saskatoon Sales Process

All defined terms in this Schedule A shall bear the respective meanings ascribed to them in the Receiver's Report.

The process for the sale of the Saskatoon Properties shall be as follows:

1. The Receiver will issue a Receiver-managed Invitation For Offers to Purchase (the "**Invitation for Offers**").
2. The Invitation for Offers process will include:
 - a. direct marketing and online marketing including via social media platforms;
 - b. direct marketing to commercial real estate agents including a commitment to pay a 3.5% commission to any real estate agent acting on behalf of a successful purchaser;
 - c. interested parties would sign a Confidentiality Agreement and be granted access to an online data room providing additional information relating to the Saskatoon Properties and the financial history of the Lighthouse as determined to be relevant to the Saskatoon Properties; and
 - d. the on-line data room would also contain the Terms and Conditions and form of Offer to Purchase.
3. The process will begin with a 90-day exclusivity period during which only prospective purchasers in the non-profit and public sectors will be permitted to submit offers to purchase for the Receiver's consideration (the "**Exclusivity Period**"). The Exclusivity Period is intended to provide an opportunity for the non-profit and public sectors to retain the locations for the purpose of continuing the Debtor's work of providing low-income housing in Saskatoon, should any such non-profit or public sector entities be willing and able to do so.
4. The process will include an ability for the Receiver to extend the Exclusivity Period in the event that a potential transaction has been proposed, but additional time is required to complete due diligence or otherwise.
5. Private sector (that is, for-profit) prospective purchasers will be permitted to participate in the Invitation for Offers process and complete due diligence if desired; however, offers to purchase any of the Saskatoon Properties from private sector prospective purchasers will not be accepted during the Exclusivity Period.
6. In the event that an offer to purchase (or other acceptable proposed transaction) relating to any one or more of the Saskatoon Properties is not submitted by a non-profit or public sector proposed purchaser within the Exclusivity Period, the Receiver will then open the process to prospective purchasers in the private sector to submit offers to purchase such properties.