

COURT FILE NUMBER QBG-SA-00480-2019

COURT OF QUEEN'S BENCH FOR SASKATCHEWAN

IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE SASKATOON

PLAINTIFF ROYAL BANK OF CANADA

DEFENDANTS P.S. ELECTRIC LTD. and HARVEY KING

IN THE MATTER OF THE RECEIVERSHIP OF P.S. ELECTRIC LTD.

SALE APPROVAL AND VESTING ORDER

Before the Honourable Madam Justice A.R. Rothery in Chambers the 20th day of July, 2023.

Upon the application by Paul Olfert, counsel on behalf of BDO Canada Limited in its capacity as the Court-appointed receiver (the "**Receiver**") with respect to the assets, undertakings and properties (collectively, the "**Property**") of P.S. Electric Ltd. (the "**Debtor**"), and upon reading the Notice of Application dated July 7, 2023, the Third Report of the Receiver dated June 13, 2023 (the "**Report**"), the Confidential Supplement to the Third Report of the Receiver dated June 20, 2023 (the "**Confidential Supplement**"), 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 AUCTION SALE

2. The auction sale process (the "**Auction Sale**") contemplated by the Consignment to Auction Agreement dated May 29, 2023 (the "**Auction Agreement**") between the Receiver and McDougall Auctioneers Ltd. (the "**Auctioneer**") and appended to the Confidential Supplement, for the sale by the Auctioneer of the Debtor's right, title and interest in and to the assets described therein (the "**Purchased Assets**") is declared to be commercially reasonable and in the best interests of the Debtor and its creditors and other stakeholders and is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary.
3. The Receiver is 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 courts, tribunals, regulatory bodies or administrative bodies in any jurisdiction in which the Purchased Assets may be located) for the completion of the Auction Sale or for the conveyance of the Purchased Assets to the purchaser at auction (or its nominee) (the "**Purchaser**"), subject to such amendments as the Receiver and the Purchaser may agree upon, provided that any such amendments do not materially affect the Purchase Price.

VESTING OF PROPERTY

4. Upon the Receiver determining that the Auction Sale has closed to its satisfaction and on terms substantially as approved by this Honourable Court pursuant to this Order, the Receiver shall deliver to the Purchaser (or its nominee) a Receiver's certificate substantially in the form set out in **Schedule "A"** hereto (the "**Receiver's Certificate**").
5. The Receiver may rely on written notices from the Purchaser and/or the Auctioneer regarding 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 Receiver's Certificate.
6. Upon delivery of the Receiver's Certificate all of the Debtor's 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 Purchaser (or its nominee), 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 the Receivership Order;
 - (b) all charges, security interests or claims evidenced by registrations pursuant to *The Personal Property Security Act, 1993* SS 1993, c P-6.2, or any other personal property registry system; and
 - (c) 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.
7. Upon delivery of the Receiver's Certificate to the Purchaser, the Receiver shall be and is hereby authorized to effect such discharges or revisions in the Saskatchewan Personal Property Registry as may be reasonably required to conclude the sale of the Real Property to the Purchaser (the "**Transaction**").
8. Pursuant to section 109 of *The Land Titles Act, 2000*, SS 2000, c L-5.1 and section 12 of *The Queen's Bench Act, 1998*, SS 1998, c Q-1.01 the Saskatchewan 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. Surface Parcel #107385329, Lot 5 Blk/Par 52 Plan No 12675 Extension 0;
 - ii. Surface Parcel #107379591, Lot 6 Blk/Par 52 Plan No 12675 Extension 0;
 - iii. Surface Parcel #107379535, Lot 7 Blk/Par 52 Plan No 12675 Extension 0;
 - iv. Mineral Parcel #135691511, Lot 5 Blk/Par 52 Plan No 12675 Extension 0;
 - v. Mineral Parcel #135691522, Lot 6 Blk/Par 52 Plan No 12675 Extension 0; and

vi. Mineral Parcel #135691533, Lot 7 Blk/Par 52 Plan No 12675 Extension 0.

(collectively, the "**Real Property**")

and to set up a new title to such Real Property in the name of the Purchaser (or its nominee) as owner free and clear of 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.
- 8A. Pursuant to section 12(a) of the *Tax Enforcement Act*, RSS 1978, c T-2, the treasurer of the City of Estevan shall be and is hereby directed to discharge the Tax Lien registered against certain of the Real Property as Interest Register #125083818, from title to the Real Property.
9. Any and all registration charges and fees payable in regard to the Land Titles Application shall be to the account of the Purchaser.
10. For the purposes of determining the nature and priority of the Encumbrances:
- (a) the net proceeds from the sale of the Purchased Assets (the "**Net Sale Proceeds**") shall stand in the place and stead of the Purchased Assets; and
- (b) from and after the delivery of the Receiver's Certificate to the Purchaser, 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.
- 10A. For greater certainty, from and after the delivery of the Receiver's Certificate to the Purchaser:
- (a) all municipal property tax debt (inclusive of interest, penalties, and any other amounts added to the property tax rolls) in respect of the Real Property shall be discharged from the Real Property, and the Net Sale Proceeds shall stand in the place and stead of the Purchased Assets in respect of all such amounts; and
- (b) the City of Estevan (and/or the treasurer of the City of Estevan, as applicable) shall be and is hereby ordered and directed to remove from the property tax rolls for the Real Property any and all amounts in respect of property taxes (inclusive of interest, penalties, and any other amounts added to the property tax rolls) accrued prior to the date of the Receiver's Certificate.
11. The Purchaser (and its 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 the Debtor.
12. The Debtor and all persons who claim by, through or under the Debtor 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 Purchaser (or its nominee).
13. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Debtor, or any person claiming by or through or against the Debtor.

14. Immediately after the closing of the Transaction, the holders of the Permitted Encumbrances shall have no claim whatsoever against the Receiver or the Debtor.
15. Forthwith after the delivery of the Receiver's Certificate to the Purchaser (or its nominee), the Receiver shall file a copy of the Receiver's Certificate with the Court, and shall serve a copy of the Receiver's Certificate on the recipients listed in the Service List maintained with respect to these proceedings.
16. [Intentionally deleted.]
17. Notwithstanding:
 - a) the pendency of these proceedings;
 - b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to such applications;
 - c) any assignment in bankruptcy made in respect of the Debtor; 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 Purchaser (or its nominee) pursuant to this Order and the obligations of the Debtor under the Sale Agreement, shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, 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 *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 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.
18. 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

19. The Receiver, the Purchaser (or its nominee) 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.
20. 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 the Receiver and its 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 to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
21. Service of this Order on any party not attending this application is hereby dispensed with. Parties attending this application shall be served in accordance with the Electronic Case Information and Service Protocol adopted in the Receivership Order.

DISTRIBUTION OF PROCEEDS

22. For greater certainty, the Receiver's Charge (as that term is defined in the Receivership Order granted by the Honourable Justice R.W. Elson in these proceedings on October 13, 2020) attaches to the Real Property, and shall attach to the Net Sale Proceeds, in priority to any interest of any other person whatsoever including, without limitation, Canada Revenue Agency, the City of Estevan, and any unsecured creditors of the Debtor.
23. The Receiver is authorized and directed to distribute the Net Sale Proceeds as follows, namely:
- a) any and all amounts owing to the Auctioneer pursuant to the Auction Agreement;
 - b) to the Receiver and to MLT Aikins LLP, legal counsel to the Receiver, the amounts required to pay their professional fees and legal fees (as the case may be), disbursements, and taxes;
 - c) subsequent to the distributions in paragraphs 23(a)-(b) hereof, to the City of Estevan, an amount up to the maximum amount of property taxes owing with respect to the Real Property as at the date of the Transaction; and
 - d) subsequent to the distributions in paragraphs 23(a)-(c) hereof, on a *pro rata* basis to the unsecured creditors listed in Exhibit I to the Third Report.

SEALING ORDER

24. The Confidential Supplement shall remain sealed on the Court File until the Receiver's Certificate is filed.

ISSUED at Saskatoon, Saskatchewan, this _____ day of July, 2023.

(Deputy) Local Registrar

CONTACT INFORMATION AND ADDRESS FOR SERVICE

Name of firm:	MLT Aikins LLP
Name of lawyer in charge of file:	Paul Olfert
Address of legal firms:	1201 – 409 3rd Avenue South, Saskatoon, SK S7K 5T6
Telephone number:	(306) 975-7100
Fax number:	(306) 975-7145
E-mail address:	POlfert@mltaikins.com
File No:	63921.8

SCHEDULE "A"
FORM OF RECEIVER'S CERTIFICATE

COURT FILE NUMBER **QBG-SA-00480-2019**

COURT OF QUEEN'S BENCH FOR SASKATCHEWAN

IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE **SASKATOON**

PLAINTIFF **ROYAL BANK OF CANADA**

DEFENDANTS **P.S. ELECTRIC LTD. and HARVEY KING**

IN THE MATTER OF THE RECEIVERSHIP OF P.S. ELECTRIC LTD.

RECEIVER'S CERTIFICATE

RECITALS

- A. Pursuant to an Order of the Honourable Justice R.W. Elson dated October 13, 2020 (the "**Receivership Order**"), BDO Canada Limited was appointed as receiver (the "**Receiver**") of the property, assets and undertaking of P.S. Electric Ltd. (the "**Debtor**").
- B. Pursuant to an Order of the Court dated July 20, 2023, the Court approved the agreement of purchase and sale made as of **[Date of Agreement]** (the "**Sale Agreement**") between the Receiver and **[Name of Purchaser]** (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor's 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 Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.
- C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

- 1. The Purchaser (or its nominee) has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
- 2. The conditions to Closing have been satisfied or waived by the Receiver and the Purchaser (or its nominee);
- 3. The Transaction has been completed to the satisfaction of the Receiver; and

4. This Certificate was delivered by the Receiver this ____ day of _____, 2023.

BDO CANADA LIMITED, in its capacity as Receiver of the undertaking, property and assets of P.S. ELECTRIC LTD., and not in its personal capacity.

Per; _____
Name:
Title:

SCHEDULE "B"
PURCHASED ASSETS

1. Surface Parcel #107385329, Lot 5 Blk/Par 52 Plan No 12675 Extension 0;
2. Surface Parcel #107379591, Lot 6 Blk/Par 52 Plan No 12675 Extension 0;
3. Surface Parcel #107379535, Lot 7 Blk/Par 52 Plan No 12675 Extension 0;
4. Mineral Parcel #135691511, Lot 5 Blk/Par 52 Plan No 12675 Extension 0;
5. Mineral Parcel #135691522, Lot 6 Blk/Par 52 Plan No 12675 Extension 0; and
6. Mineral Parcel #135691533, Lot 7 Blk/Par 52 Plan No 12675 Extension 0.

**SCHEDULE "C"
PERMITTED ENCUMBRANCES**

None.

SCHEDULE "D"
ENCUMBRANCES TO BE DISCHARGED

1. Court Order registered in favour of BDO Canada Limited on June 16, 2021 as Interest Register #124582620.
2. Tax Lien registered in favour of the City of Estevan on May 10, 2022 as Interest Register #125083818.