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15, 2024

COURT FILE NUMBER

2301-15147

COURT

COURT OF KING'S BENCH OF ALBERTA
IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE

CALGARY

IN THE MATTER OF THE *BANKRUPTCY
AND INSOLVENCY ACT*, RSC 1985, C B-3,
as amended

DOCUMENT

AND IN THE MATTER OF THE RECEIVERSHIP OF 772921 ALBERTA
INC., SPRUCE IT UP LAND CORP. and RIDGE MEADOWS
PROPERTIES LTD.

SALE APPROVAL AND VESTING ORDER

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION
OF PARTY
FILING THIS
DOCUMENT

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Attention: Jeffrey Oliver / Jane Dietrich

File no. 54670-8

Clerk's Stamp



DATE ON WHICH ORDER WAS PRONOUNCED: May 15, 2024

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary (via Webex)

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Justice Johnston

UPON THE APPLICATION by KSV Restructuring Inc., in its capacity as the Court-appointed receiver (in such capacity, the "**Receiver**") of 772921 Alberta Inc. ("**772 Inc.**"), Spruce It Up Land Corp. ("**Spruce Corp.**" or the "**Debtor**") and Ridge Meadows Properties Ltd. ("**Ridge Meadows**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale between the Receiver and Western Securities Limited ("**WSL**") dated March 14, 2024 (the "**Sale Agreement**") and appended to the First Report of the Receiver dated April 8, 2024 (the "**First Report**"), assigned by WSL to Spruce Lands LP (the "**Purchaser**") on March 28, 2024; and vesting in the Purchaser (or its nominee), Spruce Corp.'s right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**");

AND UPON HAVING READ the receivership order of the Honourable Justice M.E. Burns pronounced November 17, 2023 (the "**Receivership Order**"); the Report; the Supplement to the First

Report of the Receiver, dated April 16, 2024; the Affidavit of Angeline Gagnon, sworn May 6, 2024; and the Affidavit of Service of Angeline Gagnon, sworn May 14, 2024;; **AND UPON HEARING** the submissions of counsel for the Receiver, counsel for the Purchaser and any other counsel or parties in attendance at the hearing who made submissions;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. Service of notice of the application (the "**Application**") and materials filed in support of this order (the "**Order**") is hereby declared to be good and sufficient and time for service of the Application is abridged to that actually given.

APPROVAL OF TRANSACTION

2. The Transaction is hereby approved and execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for completion of the Transaction and conveyance of the Purchased Assets to the Purchaser.

VESTING OF PROPERTY

3. Upon delivery of a Receiver's certificate to the Purchaser substantially in the form set out in **Schedule "A"** hereto (the "**Receiver's Closing Certificate**"), all of the Debtor's and the Receiver's right, title and interest in and to the Purchased Assets (as set out in the Sale Agreement) shall vest absolutely in the name of the Purchaser, free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, 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) any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;
 - (c) any liens or claims of lien under the *Builders' Lien Act* (Alberta); and

- (d) those Claims listed in **Schedule “B”** hereto (all of which are collectively referred to as the **“Encumbrances”**, which term shall not include the permitted encumbrances, caveats, interests, easements, and restrictive covenants listed in **Schedule “C”** (collectively, the **“Permitted Encumbrances”**);

and for greater certainty, this Court orders that all Claims including Encumbrances other than Permitted Encumbrances, affecting or relating to the Purchased Assets are hereby expunged, discharged and terminated as against the Purchased Assets.

4. Upon delivery of the Receiver’s Closing Certificate and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, **“Governmental Authorities”**) are hereby authorized, requested and directed to accept delivery of such Receiver’s Closing Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser, with title in the name of the Purchaser’s general partner, Spruce Lands GP Ltd. (the **“General Partner”**), clear title to the Purchased Assets subject only to Permitted Encumbrances. Without limiting the foregoing:

- (a) the Registrar of Land Titles (**“Land Titles Registrar”**) for the lands defined below shall and is hereby authorized, requested and directed to forthwith:

- (i) cancel existing Certificate of Title No. 051 463 482 for those lands and premises municipally described as 159 210 Avenue SW, Calgary, Alberta, and legally described as:

PLAN 5235JK
 BLOCK A
 EXCEPTING THEREOUT ALL MINES AND MINERALS
 AREA: 8.4 HECTARES (20.75 ACRES) MORE OR LESS

(the **“Lands”**);

- (ii) issue a new Certificate of Title for the Lands in the name of the General Partner, namely Spruce Lands GP Ltd. of #202, 1329 1st Street SW, Calgary, Alberta T2R 0W3 (the **“New Certificate of Title”**):
- (iii) transfer to the New Certificate of Title, the existing instruments listed in Schedule “B” to this Order, and to issue and register against the New Certificate of Title such

new caveats, utility rights of ways, easements or other instruments as are listed in Schedule "B"; and

- (iv) discharge and expunge the Encumbrances listed in Schedule "C" to this Order and discharge and expunge any Claims including Encumbrances (but excluding Permitted Encumbrances) which may be registered after the date of the Sale Agreement against the existing Certificate of Title to the Lands; and
- (v) the Registrar of the Alberta Personal Property Registry shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of the Debtor in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial-number goods.

5. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and the Receiver's Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.
6. No authorization, approval or other action by and no notice to or filing with any Governmental Authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Receiver of the Sale Agreement.
7. Upon delivery of the Receiver's Closing Certificate together with a certified copy of this Order, this Order shall be immediately registered by the Land Titles Registrar notwithstanding the requirements of section 191(1) of the *Land Titles Act*, RSA 2000, c L-7 and notwithstanding that the appeal period in respect of this Order has not elapsed. The Land Titles Registrar is hereby directed to accept all Affidavits of Corporate Signing Authority submitted by the Receiver in its capacity as Receiver of the Debtor and not in its personal capacity.
8. For the purposes of determining the nature and priority of Claims, net proceeds from sale of the Purchased Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the Purchased Assets from and after delivery of the Receiver's Closing Certificate and all Claims including Encumbrances (but excluding Permitted Encumbrances) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted against the net proceeds from 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 the sale. Unless otherwise ordered (whether before or after the date of this Order), the Receiver shall not make any distributions to creditors of net proceeds from sale of the Purchased Assets without further order of this Court, provided however the Receiver may apply any part of such net proceeds to repay any amounts the Receiver has borrowed for which it has issued a Receiver's Certificate pursuant to the Receivership Order.

9. Except as expressly provided for in the Sale Agreement or by section 5 of the Alberta *Employment Standards Code*, the Purchaser (or its General Partner) shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against the Debtor.
10. Upon completion of the Transaction, the Debtor and all persons who claim by, through or under the Debtor in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its General Partner).
11. The Purchaser (or its General Partner) 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, through or against the Debtor.
12. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Receiver.
13. The Receiver is directed to file with the Court a copy of the Receiver's Closing Certificate forthwith after delivery thereof to the Purchaser.
14. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada) and section 20(e) of the Alberta *Personal Information Protection Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser (or its General Partner) all human resources and payroll information in the Debtor's records pertaining to the Debtor's past

and current employees. The Purchaser (or its General Partner) shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use (of such information) to which the Debtor was entitled.

MISCELLANEOUS MATTERS

15. Notwithstanding:

- (a) the pendency of these proceedings and any declaration of insolvency made herein;
- (b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended (the “**BIA**”), in respect of the Debtor, and any bankruptcy order issued pursuant to any such applications;
- (c) any assignment in bankruptcy made in respect of the Debtor; and
- (d) the provisions of any federal or provincial statute:

the vesting of the Purchased Assets in the Purchaser (and the New Certificate of Title being issued in the name of the General Partner) pursuant to this Order 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 transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the BIA 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.

16. The Receiver, the Purchaser (or its General Partner) and any other interested party, shall be at liberty to apply for further advice, assistance and direction 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.


17. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, 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 order and to provide such assistance to the Receiver, as an

officer of the 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.

18. Service of this Order shall be deemed good and sufficient by:
- (a) serving the same on:
 - (i) the persons listed on the service list created in these proceedings;
 - (ii) any other person served with notice of the Application for this Order;
 - (iii) any other parties attending or represented at the Application for this Order;
 - (iv) the Purchaser or the Purchaser's solicitors; and
 - (b) posting a copy of this Order on the Receiver's website at <https://www.ksvadvisory.com/experience/case/wallace-and-carey>

and service on any other person is hereby dispensed with.

19. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.



Justice of the Court of King's Bench of Alberta

SCHEDULE "A"**Form of Receiver's Closing Certificate**

COURT FILE NUMBER 2301-15147

Clerk's Stamp

COURT COURT OF KING'S BENCH OF ALBERTA
IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE CALGARY

*IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT,
RSC 1985, C B-3, as amended*AND IN THE MATTER OF THE RECEIVERSHIP OF 772921 ALBERTA
INC., SPRUCE IT UP LAND CORP. and RIDGE MEADOWS
PROPERTIES LTD.DOCUMENT **SALE APPROVAL AND VESTING ORDER**ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY
Cassels Brock & Blackwell LLP
Bankers Hall West
3810, 888 3rd St SW
Calgary, AB T2P 5C5FILING THIS DOCUMENT
E: joliver@cassels.com / [jdietch@cassels.com](mailto:jdietrich@cassels.com)
P: 403 351 2920 / 416 860 5223**Attention: Jeffrey Oliver / Jane Dietrich****RECITALS**

1. Pursuant to an Order of the Honourable Justice Burns of the Court of King's Bench of Alberta, Judicial District of Edmonton (the "**Court**") pronounced November 17, 2023, KSV Restructuring Inc. was appointed as the receiver (in such capacity, the "**Receiver**") of the undertakings, property and assets of 772921 Alberta Inc. ("**772 Inc.**"), Spruce It Up Land Corp. ("**Spruce Corp.**") and Ridge Meadows Properties Ltd. ("**Ridge Meadows**").
2. Pursuant to an Order of the Court pronounced May 15, 2024:
 - a. the Court approved the agreement of purchase and sale made as of March 14, 2024 (the "**Sale Agreement**") between the Receiver and Western Securities Limited ("**WSL**") and appended to the First Report of the Receiver dated April 8, 2024, assigned by WSL to Spruce Lands LP (the "**Purchaser**"); and

b. granted the vesting in the Purchaser, Spruce Corp.'s and the Receiver'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 as set out in Article 7 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
- iii. the Transaction has been completed to the satisfaction of the Receiver.

3. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

- 1. The Purchaser 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 as set out in Article 7 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
- 3. The Transaction has been completed to the satisfaction of the Receiver.
- 4. This Certificate was delivered by the Receiver on [], 2024.

KSV RESTRUCTURING INC., in its capacity as Receiver of the undertakings, property and assets of 772921 ALBERTA INC., SPRUCE IT UP LAND CORP. and RIDGE MEADOWS PROPERTIES LTD., and not in its personal capacity.

Per: _____
Name:
Title:

SCHEDULE "B"**Permitted Encumbrances***General Permitted Encumbrances*

1. Encumbrances for property Taxes (which term includes charges, rates and assessments, and other governmental charges or levies) or charges for electricity, power, gas, water and other services and utilities in connection with the Lands.
2. Easements, rights of way, restrictive covenants and servitudes and other similar rights in land granted to, reserved or taken by any Governmental Authority, transit authority or public or private utility supplier or any subdivision, development, servicing, site plan or other similar agreement with any Governmental Authority, transit authority or public or private utility supplier; any facility sharing, cost sharing, tunnel, servicing, parking, reciprocal and other similar agreements with neighbouring landowners and/or Governmental Authorities; and any restrictive covenants, private deed restrictions and other similar land use controls or agreements.
3. Title defects or irregularities including any easements or rights of way in favour of any federal, provincial, municipal or other governmental bodies or regulatory authorities, any private or public utility, any railway company or any adjoining owner relating to the Lands.
4. Any subsisting reservations, limitations, provisos, conditions or exceptions in any original grants from the Crown of any Lands or any part thereof or interest therein.
5. The exceptions and reservations set forth in the *Land Titles Act (Alberta)* and reservations or exceptions of mines and minerals.
6. Any rights of expropriation, access, use or any other right conferred or reserved by or in any statute of Canada or Province of Alberta.
7. The provisions of applicable laws including, without limitation, any bylaws, regulations, ordinances and similar instruments relating to development and zoning provided same are complied with in all material respects.
8. The rights reserved to or vested in any Governmental Authority by statutory provisions including the right to acquire portions of the Lands for road widening or interchange construction, and the right to complete or remedy improvements, landscaping or deficiencies in any pedestrian walkways or traffic control or monitoring.
9. Undetermined or inchoate liens incidental to construction, renovations or current operations.
10. Any statutory liens, charges, adverse claims, prior claims, security interests, deemed trusts or other encumbrances of any nature whatsoever, claimed or held by His Majesty the King in Right of Canada, His Majesty the King in Right of the Province of Alberta or by any other Governmental Authority under or pursuant to any applicable laws.

Specific Permitted Encumbrances

Registration No.	Date of Registration	Particulars
6453GC	DECEMBER 3, 1949	UTILITY RIGHT OF WAY GRANTEE – CANADIAN NATURAL GAS COMPANY LIMITED. AS TO PORTION OR PLAN: GL85
917KA	JULY 28, 1967	RESTRICTIVE COVENANT
001 332 857	NOVEMBER 21, 2000	CAVEAT RE ROADWAY CAVEATOR – HER MAJESTY THE QUEEN IN RIGHT OF ALBERTA AS REPRESENTED BY THE MINISTER OF INFRACTURE C/O LANDS ADMIN, HIGHWAY & ROADSIDE PLANNING TECHNICAL STANDARDS BRANCH

SCHEDULE "C"**Non-Permitted Encumbrances**

REGISTRATION NO.	DATE OF REGISTRATION	PARTICULARS
051 463 483	DECEMBER 6, 2005	MORTGAGE MORTGAGEE - 772921 ALBERTA INC. C/O WALLACE & CAREY INC 5445 8 ST NE CALGARY ALBERTA T2K5R9 ORIGINAL PRINCIPAL AMOUNT: \$4,000,000
051 463 484	DECEMBER 6, 2005	CAVEAT RE: ASSIGNMENT OF RENTS AND CAVEATOR - 772921 ALBERTA INC. ATTN: ROBERT T HOUSMAN C/O GOWLING LAFLEUR HENDERSON LLP 1400,700 2 ST SW CALGARY ALBERTA T2P4V5
101 354 558	DECEMBER 7, 2010	CAVEAT RE LEASE INTEREST CAVEATOR - ROGERS COMMUNICATIONS INC. C/O DALE R. SPACKMAN PARLEE MCLAWS 2400 SUNCOR ENERGY CENTRE 150- 6 AVENUE SW CALGARY ALBERTA T2P 3Y7 AGENT – DALE R SPACKMAN (DATA UPDATED BY: TRANSFER OF CAVEAT 111306281)
221 026 290	FEBRUARY 8, 2022	MORTGAGE MORTGAGEE - CANADIAN WESTERN BANK. CREDIT SUPPORT-PRAIRIES REGIONAL CENTRE 300,606-4TH STREET SW CALGARY ALBERTA T2P1T1 ORIGINAL PRINCIPAL AMOUNT: \$12,000,000
221 026 291	FEBRUARY 8, 2022	CAVEAT RE: ASSIGNMENT OF RENTS AND CAVEATOR - CANADIAN WESTERN BANK. CREDIT SUPPORT-PRAIRIES REGIONAL CENTRE 300,606-4TH STREET SW CALGARY ALBERTA T2P1T1 AGENT - MOHAMMED ALI MEMON

221 026 292	FEBRUARY 8, 2022	POSTPONEMENT OF MORT 051463483 CAVE 051463484 TO MORT 221026290 CAVE 221026291
231 275 608	SEPTEMBER 12, 2023	MORTGAGE MORTGAGEE - CANADIAN IMPERIAL BANK OF COMMERCE. 199 BAY STREET, 4TH FLOOR TORONTO ONTARIO M5L1A2 ORIGINAL PRINCIPAL AMOUNT: \$65,000,000
231 275 609	SEPTEMBER 12, 2023	POSTPONEMENT OF MORT 051463483 CAVE 051463484 TO MORT 231275608