

COURT NUMBER 23-1927123

ESTATE NUMBER 23-1927123

COURT FILE NUMBER 1590 of 2014

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

JUDICIAL CENTRE SASKATOON

IN THE MATTER OF THE PROPOSAL OF SYSTEM BUILT DEVELOPMENTS INC.
pursuant to Subsection 50.4(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3

ORDER

**(Third Filing Extension, Increase of Administrative Charge, Varying and Ratification of
Disbursement Order, Varying of Priority of Unpaid GST Claim)**

Before the Honourable Mr. Justice R.S. Smith in Chambers the 24th day of February, 2015.

On the Application of Jeffrey M. Lee, Q.C., and Mike Russell, counsel on behalf of System Built Developments Inc. ("**SBDI**"); and upon hearing from Mike Russell on behalf of SBDI and counsel present on behalf of any other interested parties; and on reading the Notice of Application on behalf of SBDI dated February 20, 2015, the Fourth Report of the Proposal Trustee and a proposed draft of this Order, all filed;

The Court orders:

Validation and Abridgment of Service

1. Service of the Notice of Application on behalf of System Built Developments Inc. and the materials filed in support thereof (collectively, the "**Application Materials**") by electronic mail or facsimile upon those parties listed on the Service List established in these proceedings 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 shall be and is hereby deemed to be timely and sufficient.

Extension of Stay of Proceedings

2. Pursuant to subsection 50.4(9) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the "**BIA**"), the period within which SBDI is required to file a proposal to its creditors with the Official Receiver under subsection 62(1) of the BIA shall be and is hereby extended by a further 45 days, from February 28, 2015, to and including April 14, 2015.

Varying, Ratification and Confirmation of the Disbursement of Asset Sale Proceeds Order

3. An Order pursuant to subsection 187(5) of the BIA in regard to the Disbursement of Asset Sale Proceeds Order dated February 4, 2015:
 - (a) varying paragraph 2 by deleting the words "and presently held in trust by the NOI Trustee in the amount of \$50,841.25"; and
 - (b) ratifying and confirming subparagraph 2(b).

Increase of Administrative Charge

4. Pursuant to subsections 64.2(1) and 187(5) of the BIA, the administrative charge on the assets of SBDI (the "**Administrative Charge**") granted and created pursuant to paragraph 2 of the Interim Financing and Administrative Charge Approval Order dated November 28, 2014 (the "**November 28 Order**"), to secure payment of the reasonable professional fees and disbursements of Deloitte Restructuring Inc., the Trustee appointed pursuant to the notice of intention to make a proposal to creditors (the "**NOI**") pursuant to section 50.4 of the BIA filed by SBDI in these proceedings, (the "**NOI Trustee**") and the reasonable professional fees and disbursements of legal counsel to SBDI, the law firm of MacPherson Leslie & Tyerman LLP, shall be and is hereby increased from the amount of \$65,000.00 to the amount of \$100,000.00.

Varying of November 28 Order in Regard to Priority of Claim for Unpaid GST

5. Pursuant to subsection 187(5) of the BIA, paragraphs 1 and 2 of the November 28 Order shall be and are hereby varied by deleting the words "and unpaid GST", such that the Interim Financing Charge and the Administrative Charge defined, granted and created pursuant to such paragraphs 1 and 2, respectively, shall rank in priority to the claim of Canada Revenue Agency against SBDI for unpaid GST.

Restating and Amending Orders

6. The following Orders, namely:
- (a) the Sale Approval Order dated November 21, 2014, paragraph 5 of which was varied by paragraph 3 of the Disbursement of Asset Sale Proceeds Order dated February 4, 2015;
 - (b) the November 28 Order, paragraphs 1 and 2 of which are varied by paragraphs 4 and 5 of this Order; and
 - (c) the Disbursement of Asset Sale Proceeds Order dated February 4, 2015, paragraph 2 of which is varied, ratified and confirmed by paragraph 3 of this Order,

shall be and are hereby amended and restated in the forms attached hereto as Schedules "A", "B" and "C", respectively.

ISSUED at Saskatoon, in the Province of Saskatchewan, this 25th day of February, 2015.



(Deputy) Local Registrar

CONTACT INFORMATION AND ADDRESS FOR SERVICE

Name of firm:	MacPherson Leslie & Tyerman LLP
Name of lawyer in charge of file:	Jeffrey M. Lee, Q.C. and Mike Russell
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File No:	58502.1

Schedule "A"

COURT NUMBER 23-1927123

ESTATE NUMBER 23-1927123

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

JUDICIAL CENTRE SASKATOON

IN THE MATTER OF THE PROPOSAL OF SYSTEM BUILT DEVELOPMENTS INC.
pursuant to Subsection 50.4(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3

CONSENT ORDER

Before the Honourable Mr. Justice R.S. Smith in Chambers the 21st day of November, 2014.

On the Application of Jeffrey M. Lee, Q.C., and Mike Russell, lawyers on behalf of System Built Developments Inc. ("**SBDI**"); and upon hearing from Jeffrey M. Lee, Q.C., on behalf of SBDI, and Nolan Dooley, on behalf of 60 Street Saskatoon Holdings Ltd. (the "**Landlord**") and counsel present on behalf of other interested parties; and on reading the Notice of Application on behalf of SBDI dated November 17, 2014, the Affidavit of Gaetan Blouin sworn November 17, 2014, the Confidential Supplementary Affidavit of Gaetan Blouin; the First Report of the Proposal Trustee dated November 17, 2014, and a proposed draft of this Order; and upon reading the consent of each of Mike Russell on behalf of SBDI, and Nolan Dooley, on behalf of the Landlord; all filed:

The Court orders:

Abridgment of Service

1. The time for service of the Notice of Application on behalf of SBDI dated November 17, 2014 and the materials filed in support thereof (collectively, the "**Application Materials**") shall be and is hereby abridged, such that service of the Application Materials shall be deemed to be good, valid, timely and sufficient.

Extension of Stay of Proceedings

2. Pursuant to subsection 50.4(9) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the "**BIA**"), the period within which SBDI is required to file a proposal to its creditors with the Office of the Superintendent in Bankruptcy/Official Receiver shall be and is hereby extended by a further 45 days, from November 29, 2014, to and including January 13, 2015.

Approval to Remove and Sell Assets

3. Subject to paragraphs 4, 5, 6 and 7 hereof, pursuant to subsection 65.13(1) of the BIA, SBDI shall be and is hereby authorized and directed:
 - a) to remove those of its assets (the "**SBDI Assets**") more particularly described in the Affidavit of Gaetan Blouin sworn November 18, 2014, and filed in these proceedings (the "**Blouin Affidavit**") from its existing business premises bearing the civic address of 820 – 60th Street East, Saskatoon, Saskatchewan (the "**Premises**") to an alternative secure location of its choice; and

- b) to conduct one or more sales of such SBDI Assets (the "**SBDI Asset Sales**") outside of the ordinary course of its business, upon substantially the same terms and conditions as those contained in the form of sample Asset Purchase Agreement (the "**APA**") attached to the Blouin Affidavit, and to execute such documents and to perform such acts as may reasonably be required in order to complete such SBDI Asset Sales in accordance with this Order (the "**SBDI Asset Sale Process**").
4. The removal from the Premises of the SBDI Assets by SBDI to an alternative secure location chosen by SBDI and the conduct of the SBDI Asset Sales shall be carried out by SBDI in consultation with and under the supervision of Deloitte Restructuring Inc., the licensed trustee which has consented to act as Trustee under the Proposal of SBDI (the "**Proposal Trustee**").
5. All net sale proceeds of the SBDI Asset Sales, after payment by SBDI to any sales consultant(s) engaged by SBDI to conduct the SBDI Asset Sales of the amount of any and all sales commissions earned by such sales consultant(s) in regard to such SBDI Asset Sales, together with any other reasonable costs of such SBDI Asset Sales, shall be deposited by or on behalf of SBDI into a dedicated, interest-bearing trust account maintained by the Proposal Trustee (the "**SBDI Trust Account**"), shall be held by the Proposal Trustee in trust for SBDI (subject to the terms of this Order) and shall not be disbursed by the Proposal Trustee until: (a) written agreement between SBDI, the Landlord and the Proposal Trustee; or (b) further Order of this Court.
6. The Proposal Trustee shall from time to time provide reports and updates to 60 Street Saskatoon Holdings Ltd. (the "**Landlord**") (with copies to SBDI) regarding the location and condition of the SBDI Assets, the status of the SBDI Asset Sale Process, the conduct of the SBDI Asset Sales and the balance on deposit in the SBDI Trust Account. To the full extent possible, such reports and updates shall be provided by the Proposal Trustee to the Landlord in an informal and cost-effective manner (including by means of e-mail correspondence, as deemed necessary and appropriate by the Proposal Trustee, in its sole discretion).
7. Upon the Proposal Trustee determining that one or more sales of the SBDI Assets to purchasers (the "**Subject Purchasers**") pursuant to the SBDI Asset Sale Process have closed to the satisfaction of SBDI and pursuant to the terms of this Order, the Proposal Trustee shall file with this Honourable Court and shall serve upon the Landlord, SBDI and the Subject Purchasers one or more certificates to that effect (the "**Proposal Trustee's Closing Certificate(s)**"), whereupon the SBDI Assets identified in such Proposal Trustee's Closing Certificate(s) shall vest in each of the Subject Purchasers identified in such Proposal Trustee's Closing Certificate(s), effective as of the date of closing identified in such Proposal Trustee's Closing Certificate(s), free and clear of any and all encumbrances, taxes and arrears of taxes, claims, interests, security interests, liens, charges, licenses, trusts, deemed trusts (whether contractual, statutory or otherwise), mortgages, instruments, leases, assignments, judgments, executions, options, claims, levies or any other rights (whether contractual, statutory, arising by operation of law or created by or pursuant to Orders made in these proceedings) of any persons or entities of any kind whatsoever, including, without limitation, all individuals, firms, corporations, partnerships, joint ventures, trusts, unincorporated organizations, governmental and administrative bodies, municipalities, agencies, authorities or tribunals and all other natural persons or corporations, whether acting in their capacity as principals or as agents, trustees, executors, administrators or other legal representatives and Her Majesty in Right of Canada and Her Majesty in Right of the Province of Saskatchewan (as the case may be).

Sealing of the Confidential Supplementary Affidavit of Gaetan Blouin

8. Counsel for SBDI having complied with Practice Directive #3, the Confidential Supplementary Affidavit of Gaetan Blouin shall be and is hereby sealed (*nunc pro tunc* as of the date of filing of the Application Materials) until the earlier of: (a) April 30, 2015; or (b) the date of any

further Order of this Court addressing the sealing of the Confidential Supplementary Affidavit of Gaetan Blouin.

Approval of Motions Regarding Interim Financing, Interim Financing Charge and Administrative Charge

9. The motions pursuant to subsections 50.5(1) and 64.2(1) of the BIA for an Order approving interim financing secured by an interim financing charge and an administrative charge, respectively, on the assets of SBDI (as more particularly described in the Application Materials) shall be and are hereby adjourned to a date to November 28, 2014, at 9:00 a.m.

Issue as to Whether and to What Extent Occupation Rent is Payable by SBDI to the Landlord

10. The issue of whether and to what extent SBDI is required to pay occupation rent to the Landlord in regard to the occupation by SBDI of the Premises from and after November 1, 2014, shall be determined by agreement between SBDI and the Landlord or by further Order of the Court.

ISSUED at the City of Saskatoon, in the Province of Saskatchewan, this "21st" day of November, 2014.

"Bev Stang"
(Deputy) Local Registrar

CONTACT INFORMATION AND ADDRESS FOR SERVICE

Name of firm: MacPherson Leslie & Tyerman LLP
Name of lawyer in charge of file: Jeffrey M. Lee, Q.C. and Mike Russell
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File No: 58502.1

Schedule "B"

COURT NUMBER 23-1927123
ESTATE NUMBER 23-1927123
COURT FILE NUMBER 1590 of 2014
**COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
IN BANKRUPTCY AND INSOLVENCY**
JUDICIAL CENTRE SASKATOON

**IN THE MATTER OF THE PROPOSAL OF SYSTEM BUILT DEVELOPMENTS INC.
pursuant to Subsection 50.4(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3**

CONSENT ORDER

Before the Honourable Mr. Justice R.S. Smith in Chambers the 28th day of November, 2014.

On the Application of Jeffrey M. Lee, Q.C., and Mike Russell, lawyers on behalf of System Built Developments Inc. ("**SBDI**"); and upon hearing from Jeffrey M. Lee, Q.C., on behalf of SBDI, Nolan Dooley, on behalf of 60 Street Saskatoon Holdings Ltd., and counsel present on behalf of other interested parties; and on reading the Notice of Application on behalf of SBDI dated November 17, 2014, the Affidavit of Gaetan Blouin sworn November 17, 2014, the Confidential Supplementary Affidavit of Gaetan Blouin, the First Report of the Proposal Trustee dated November 17, 2014, the Affidavit of Janine Stener sworn November 24, 2014, and a proposed draft of this Order, all filed:

The Court orders:

Approval of Interim Financing and Interim Financing Charge

1. Pursuant to subsection 50.6(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the "**BIA**"), SBDI shall be and is hereby authorized to borrow the amount of Twenty-Seven Thousand, Five Hundred (\$27,500.00) Dollars (the "**Interim Financing**") from 101217277 Saskatchewan Ltd. upon substantially the same terms and conditions as those contained in the Commitment Letter filed with the Court, which Interim Financing shall be and is hereby ordered to be secured by a first priority charge on the assets of SBDI (the "**Interim Financing Charge**"), which Interim Financing Charge shall rank in priority to all other interests in or claims to the SBDI Assets (and the proceeds of the SBDI Assets), save and except for claims of Canada Revenue Agency against SBDI for unpaid employee source deductions and unpaid GST and claims of employees of SBDI and former employees of SBDI for unpaid wages and salary owed to them by SBDI.

Approval of Administrative Charge

2. Pursuant to subsection 64.2(1) of the BIA, an administrative charge on the assets of SBDI in the amount of ~~Sixty-Five~~ One Hundred Thousand (~~\$65,000.00~~ 100,000.00) Dollars (the "**Administrative Charge**") shall be and is hereby granted and created in order to secure payment of the reasonable professional fees and disbursements of the Proposal Trustee and the reasonable professional fees and disbursements of legal counsel to SBDI (the law firm of MacPherson Leslie & Tyerman LLP), which Administrative Charge shall rank in priority to all other interests in or claims to the SBDI Assets (and the proceeds of the SBDI Assets), save

and except for claims of Canada Revenue Agency against SBDI for unpaid employee source deductions and unpaid GST, claims of employees of SBDI and former employees of SBDI for unpaid wages and salary owed to them by SBDI and the Interim Financing Charge.

ISSUED at the City of Saskatoon, in the Province of Saskatchewan, this "28th" day of November, 2014.

"Bev Stang"
(Deputy) Local Registrar

CONTACT INFORMATION AND ADDRESS FOR SERVICE

Name of firm:	MacPherson Leslie & Tyerman LLP
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File No:	58502.1

Schedule "C"

COURT NUMBER 23-1927123

ESTATE NUMBER 23-1927123

COURT FILE NUMBER 1590 of 2014

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

JUDICIAL CENTRE SASKATOON

IN THE MATTER OF THE PROPOSAL OF SYSTEM BUILT DEVELOPMENTS INC.
pursuant to Subsection 50.4(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3

ORDER (Disbursement of Asset Sale Proceeds)

Before the Honourable Mr. Justice R.S. Smith in Chambers the 4th day of February, 2015.

On the Application of Jeffrey M. Lee, Q.C., and Mike Russell, counsel on behalf of System Built Developments Inc. ("**SBDI**"); and upon hearing from Jeffrey M. Lee, Q.C. and Mike Russell, on behalf of SBDI, and counsel present on behalf of any other interested parties; and on reading the Notice of Application on behalf of SBDI dated January 29, 2015, the Affidavit of Gaetan Blouin sworn January 29, 2015, and a proposed draft of this Order, all filed;

The Court orders:

Validation and Abridgment of Service

1. Service of the Notice of Application on behalf of System Built Developments Inc. ("**SBDI**") and the materials filed in support thereof (collectively, the "**Application Materials**") by electronic mail or facsimile upon those parties listed on the Service List established in these proceedings 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 shall be and is hereby deemed to be timely and sufficient.

Order Authorizing and Directing the NOI Trustee to Disburse Asset Sale Proceeds

2. Pursuant to subsection 187(5) of the *Bankruptcy and Insolvency Act* (the "**BIA**") and upon reviewing the Order of the Honourable Justice R.S. Smith dated November 21, 2014 (the "**Sale Approval Order**"), Deloitte Restructuring Inc., the Trustee appointed pursuant to the notice of intention to make a proposal to creditors (the "**NOI**") pursuant to section 50.4 of the BIA filed by SBDI in these proceedings, (the "**NOI Trustee**") shall be and is hereby authorized and directed to disburse the "net sale proceeds of the SBDI Asset Sales" referred to in paragraph 5 of the Sale Approval Order ~~and presently held in trust by the NOI Trustee in the amount of \$50,841.25~~ (the "**Net Sale Proceeds**") as follows, namely:

- (a) forthwith to Prairiewind Woodworking Machinery Imports, the sales consultant engaged by SBDI to conduct the SBDI Asset Sales to which the Net Sales Proceeds relate (the "**Sales Consultant**"), in the amount of \$8,878.54 in regard to sales commissions thereby earned by the Sales Consultant (the "**Commission Amount**"); and

- (b) forthwith upon determination by the Trustee of all Wages Claims (as that term is defined in the Claims Process Order dated January 26, 2015) in accordance with the Claims Process Order (each, a "**Determined Wages Claim**" and collectively, the "**Determined Wages Claims**"), to each Claimant (as that term is defined in the Claims Process Order) having a Determined Wage Claim in the amount of such Claimant's Determined Wage Claim, net of the Superintendent's levy pursuant to subsections 60(4) and 147 of the BIA.

Order Varying Paragraph 5 of the Sale Approval Order

3. Pursuant to section 187(5) of the BIA, paragraph 5 of the Sale Approval Order shall be and is hereby varied such that the reference contained therein to the "net sale proceeds of the SBDI Asset Sales" shall be interpreted to mean the net proceeds of the SBDI Asset Sales after payment by SBDI to the Sales Consultant (and any other sales consultant(s) engaged by SBDI) of the amount of any and all sales commissions earned by any such sales consultant(s) in regard to such SBDI Asset Sales, together with any other reasonable costs of such SBDI Asset Sales.

ISSUED at Saskatoon, in the Province of Saskatchewan, this "4th" day of February, 2015.

"Diane Papuzynski"
~~(Deputy)~~ Local Registrar
"✓DP✓"

CONTACT INFORMATION AND ADDRESS FOR SERVICE

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