

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 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 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 further Order of this Court.
 6. The Proposal Trustee shall from time to time provide reports and updates to 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.

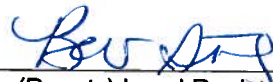
Adjournment of Motions Regarding Interim Financing, Interim Financing Charge and Administrative Charge

9. The motions pursuant to subsections 50.6(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.



(Deputy) Local Registrar

CONTACT INFORMATION AND ADDRESS FOR SERVICE

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