

**CAIRP CNIE Presentation on Corporate Restructuring
Documents and Referred Links re:
BuildDirect.com Technologies Inc.
www.pwc.com/ca/en/car/builddirect**

1. General Security Agreement
2. Monitor's Pre-Filing Report - https://www.pwc.com/ca/en/car/builddirect/assets/builddirect-002_103117.pdf
3. Initial Cash Flow and Notes – handed out in class
4. Initial Order - https://www.pwc.com/ca/en/car/builddirect/assets/builddirect-001_103117.pdf
5. Interim Financing Term Sheet
6. Company's Petition to the Court - https://www.pwc.com/ca/en/car/builddirect/assets/builddirect-007_110117.pdf
7. Company's Initial Affidavit - https://www.pwc.com/ca/en/car/builddirect/assets/builddirect-004_110117.pdf
8. US Court Provisional Order - https://www.pwc.com/ca/en/car/builddirect/assets/builddirect-013_110617.pdf
9. Chapter 15 Recognition Order
10. Monitor's First Report to Court - https://www.pwc.com/ca/en/car/builddirect/assets/builddirect-030_111017.pdf
11. Monitor's Second Report to Court (for the comeback hearing) - https://www.pwc.com/ca/en/car/builddirect/assets/builddirect-044_112017.pdf
12. ARI0 - https://www.pwc.com/ca/en/car/builddirect/assets/builddirect-056_112217.PDF
13. Disclaim of Contract
14. Monitor's Fourth Report to Court (for the Claims Process Order) - https://www.pwc.com/ca/en/car/builddirect/assets/builddirect-076_011618.pdf
15. Claims Process Order - https://www.pwc.com/ca/en/car/builddirect/assets/builddirect-078_011918.pdf
16. The Plan - https://www.pwc.com/ca/en/car/builddirect/assets/builddirect-121_032618.pdf
17. Monitor's Fifth Report to Court (for the Meeting Order) - https://www.pwc.com/ca/en/car/builddirect/assets/builddirect-091_022118.pdf
18. Meeting Order - https://www.pwc.com/ca/en/car/builddirect/assets/builddirect-098_022318.pdf
19. Sanction Order - https://www.pwc.com/ca/en/car/builddirect/assets/builddirect-117_031418.PDF
20. Monitor's Final Report to Court, and resulting Discharge Order – it's coming!

GENERAL SECURITY AGREEMENT

The Security Interests created by, and the obligations of the Debtor contained in, this General Security Agreement are subject to the terms of the Subordination, Standstill and Postponement Agreement entered into by the Secured Party with Deans Knight Capital Management Ltd. and the holders of the Notes.

THIS SECURITY AGREEMENT is made as of March 31, 2016 .

BETWEEN:

BUILDDIRECT.COM TECHNOLOGIES INC., a corporation
governed by the Canada Business Corporations Act

(the "**Debtor**")

AND:

PELECANUS INVESTMENTS LTD., 500 – 887 Great Northern Way,
Vancouver, British Columbia, V5T 4T5

(the "**Secured Party**")

1. Security Interest

1.1 For good and valuable consideration and as general and continuing security for the payment and performance of all indebtedness and liability of the Debtor in respect of the secured notes of the Debtor in the aggregate principal amount not exceeding Cdn \$25 million (the "**Notes**") to the holders (collectively the "**Holders**" and each a "**Holder**") of Notes issued on March 31, 2016, including all indebtedness and liability of the Debtor to the Secured Party and the Holders under the Note Purchase Agreement dated March 31, 2016 between the Debtor and the Secured Party and other Holders and in each case present and future indebtedness and liabilities and obligations thereunder and any ultimate balance thereof, and for the performance of all obligations and covenants of the Debtor to the Secured Party and the Holders in respect of the Notes and the Note Purchase Agreement (all of which indebtedness, liability, and obligations are herein collectively called the "**Obligations**"), the Debtor, subject to the exceptions set out in Clause 2 hereof, hereby mortgages, charges, pledges and assigns to the Secured Party, and grants to the Secured Party for and on behalf of the Secured Party and the Holders a security interest in, all the Debtor's right, title and interest in and to all presently owned or held and after acquired or held personal property, assets and undertaking of the Debtor, of whatever nature or kind and wheresoever situate and all proceeds derived directly or indirectly thereof and therefrom, and all substitutions therefor and accretions thereto including, without limiting the generality of the foregoing:

- (a) Equipment - all equipment, including, without limiting the generality of the foregoing, all machinery, tools, fixtures, furniture, furnishings, chattels, motor vehicles, vessels and other tangible personal property that is not Inventory, and all parts, components, attachments, accessories, accessions, replacements, substitutions, additions and improvements to any of the foregoing (all of which is herein collectively called the "**Equipment**");

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- (b) Inventory - all inventory, including without limiting the generality of the foregoing, goods acquired or held for sale or lease or furnished or to be furnished under contracts of rental or service, all raw materials, work in process, finished goods, returned goods, repossessed goods, and all packaging materials, supplies and containers relating to or used or consumed in connection with any of the foregoing (all of which is herein collectively called the "**Inventory**");
- (c) Accounts - all debts, accounts, claims, monies and choses in action which now are, or which may at any time hereafter be, due or owing to or owned by the Debtor and all books, records, documents, papers and electronically recorded data recording, evidencing or relating to the said debts, accounts, claims, monies and choses in action or any part thereof (all of which is herein collectively called the "**Accounts**");
- (d) Other Personal Property - all documents of title, chattel paper, instruments, securities and money, and all other goods of the Debtor that are not Equipment, Inventory or Accounts;
- (e) Intangibles - all contractual rights, licenses, goodwill, patents, trademarks, trade names, copyrights and other intellectual property of the Debtor, all other choses in action of the Debtor of every kind which now are, or which may at any time hereafter be, due or owing to or owned by the Debtor, and all other intangible property of the Debtor that is not Accounts, chattel paper, instruments, documents of title, securities or money; and
- (f) Proceeds - all proceeds derived directly or indirectly from any use or dealing with the collateral referred to in subsections (a) through (e) hereof including, without limiting the generality of the foregoing, proceeds of sale, lease or other dispositions of any such collateral, proceeds of a kind similar to the above described items, and money, cheques or deposit accounts in deposit taking institutions (herein collectively referred to as "**Proceeds**");

and for the same consideration, the Debtor hereby mortgages, charges, pledges and assigns, as and by way of a floating charge, all of the Debtor's other properties, assets and undertaking for the time being and from time to time, real and personal, moveable and immovable, both present and future, now owned or hereafter acquired of whatsoever nature and kind and wheresoever situate.

(All of the foregoing mentioned property is herein collectively referred to as the "**Collateral**").

Certain terms used in this Security Agreement are defined in Section 34 hereto which is incorporated into and forms part hereof.

2. Exceptions

2.1 The charges and security interests granted hereunder shall not extend to: (i) the last day of the term created by any lease or agreement therefor but the Debtor shall stand possessed of the reversion thereby remaining upon trust to assign and dispose thereof to any third party as the Secured Party shall direct; and (ii) the collateral excepted from the security interest granted under the Intellectual Property Security Agreement dated the date hereof, granted by the Debtor in favour on the Secured Party.

2.2 There shall be excluded from the Security Interests hereby created any consumer goods of the Debtor.

3. Continuing Secured

3.1 This Security Agreement and the Security Interests hereby created are in addition to and not in substitution for any other Security Interest now or hereafter held by the Secured Party from the Debtor or from any other person whomsoever.

4. Unlimited Liability Shares

4.1 Notwithstanding any other provision in this Security Agreement, to the extent that any shares (the "**Unlimited Liability Shares**") in an unlimited liability company formed under the laws of the Province of British Columbia (a "**Unlimited Company**") constitute Collateral, unless the Secured Party otherwise approves, the Secured Party shall not become or be deemed to become a member or shareholder, or obtain or have the right to obtain any other indicia of ownership of any Unlimited Company, and no provision in this Security Agreement (except this Section 4) or actions taken by any Secured Party pursuant to this Security Agreement which might provide or be deemed to provide otherwise, in whole or in part, shall, without the express written consent of such Secured Party, apply in respect of Unlimited Liability Shares. For the avoidance of doubt, and except as otherwise provided in the last sentence of this Section 4.1 and except with the approval of the Secured Party, no provision of this Security Agreement or actions taken by such Secured Party pursuant to this Security Agreement shall apply or be deemed to apply so as to cause the Secured Party to be, and the Secured Party shall not be or be deemed to be, or entitled to:

- (a) be registered as a shareholder or member, or apply to be registered as a shareholder or member, of any Unlimited Company;
- (b) request or assent to a notation being entered in the Secured Party's favour in the share register in respect of Unlimited Liability Shares;
- (c) hold itself out as a shareholder or member of any Unlimited Company; or
- (d) act or purport to act as a member of any Unlimited Company, or obtain, exercise or attempt to exercise any rights of a shareholder or member, including the right to attend a meeting of, or to vote any Unlimited Liability Shares or to be entitled to receive any distribution in respect of Unlimited Liability Shares.

4.2 The foregoing limitation shall not restrict the Secured Party from exercising the rights which the Secured Party is entitled to exercise hereunder in respect of any Unlimited Liability Shares constituting Collateral at any time that the Secured Party shall be entitled to realize on all or any portion of the Collateral.

5. Investment Property and Securities

5.1 If the Collateral at anytime includes investment property which is or is to be credited to a securities account established by the Debtor with a securities intermediary, the Debtor shall notify the Secured Party and, at the request of the Secured Party, shall procure that the relevant securities intermediary shall enter into an agreement with the Secured Party which includes such terms as may be required by the Secured Party to ensure that the Secured Party has exclusive control over all investment property held in the relevant securities account following the occurrence of a default including, but not limited to, an agreement of the securities intermediary that it will comply with entitlement orders that are originated by the Secured Party without the further consent of the Debtor. If the Collateral at any time includes securities for which a certificate is or may be issued to the Debtor, the Debtor will deliver the

certificates representing the same to the Secured Party together with stock powers of attorney in form sufficient for such securities to be transferred on the books of the issue thereof. Upon the enforcement of the security interests granted hereunder, the Debtor authorizes the Secured Party to transfer the same or any part thereof into its own name or that of its nominee(s) so that the Secured Party or its nominee(s) may appear on record as the sole owner thereof.

6. Contractual Rights

6.1 In the event the validity and effectiveness of the charge over any of the Collateral requires the consent, approval or waiver of a third Person in order to be effective as against such third Person, the charge with respect to any such Collateral shall be effective as against the Debtor and all Persons other than such third Person and shall be effective as against such third Person when the applicable consent, approval or waiver is obtained, retroactively, to the fullest extent legally possible, to the later of the date hereof or the date such consent, approval or waiver is obtained or becomes effective, as applicable, and until such consent, approval or waiver is obtained, the Debtor shall (subject to the other terms hereof) stand possessed of such Collateral upon trust to assign and dispose thereof as the Holder shall for such purposes direct.

7. Composite Mortgage

7.1 This Security Agreement is a composite mortgage and security agreement covering the Collateral of the Debtor located in various jurisdictions and, as to portions of the Collateral located in such separate jurisdictions, this Security Agreement shall be a separate mortgage and security agreement enforceable against the Debtor without regard to the application of this Security Agreement to portions of the Collateral located in other jurisdictions. All provisions hereof shall be applicable separately to the portions of the Collateral located in each separate jurisdiction with the same effect as if a separate mortgage and security agreement with respect thereto had been executed and delivered by the Debtor to the Holder. Upon the reasonable request of the Holder, the Debtor shall prepare, execute and deliver, at the Debtor's expense, a separate mortgage and security agreement covering the portion of the Collateral located in any such jurisdiction or jurisdictions, such separate mortgage and security agreement to be substantially in the form hereof except for such modifications as shall be required by the fact that such mortgage and security agreement relates only to the property of the Debtor located in such jurisdiction or jurisdictions or as may be required by the Holder in connection therewith.

8. British Columbia Floating Charges

8.1 For greater certainty, it is hereby confirmed that if and to the extent the Debtor has any interest in any real property in the Province of British Columbia, the floating charge created hereby is a floating charge within the meaning of Section 203 of the *Land Title Act* (British Columbia) and does not become a fixed charge on specific land until the occurrence of an Event of Default or until the Holder has made demand for payment of the Obligations but becomes a fixed charge on the interest of the Debtor in lands immediately upon the occurrence of an Event of Default or such demand is made.

9. Registration

9.1 The Debtor will assist the Secured Party to ensure that this Security Agreement and all such supplementary and corrective instruments and all additional mortgage and security documents executed and delivered by the Debtor to the Secured Party, and all documents, caveats, security notices and financing statements in respect thereof, are promptly filed and re-filed, registered and re-registered and deposited and re-deposited, in such manner, in such offices and places, and at such times and as often as may be required by applicable law or as may be necessary or desirable to perfect and preserve the

charge over the Collateral and the rights conferred or intended to be conferred upon the Holder by the charge over the Collateral and will promptly provide the Secured Party with evidence (satisfactory to the Secured Party) of such filing, registration and deposit.

10. Prohibitions

10.1 Without the prior written consent of the Secured Party the Debtor shall not and shall not have power to:

- (a) create or permit to exist any Security Interest against any of its property, assets, or undertakings which ranks or could in any event rank in priority to or pari passu with any Security Interest created by this Security Agreement; other than Permitted Encumbrances; or
- (b) grant, sell, or otherwise assign its chattel paper.

11. Attachment

11.1 The Debtor acknowledges that the Security Interests hereby created attach upon the execution of this Security Agreement (or in the case of any after acquired property, upon the date of acquisition thereof), that value has been given, and that the Debtor has, or in the case of after acquired property will have, rights in the Collateral.

12. Representations and Warranties

12.1 The Debtor represents and warrants that this Security Agreement is granted in accordance with resolutions of the directors (and of the shareholders as applicable) of the Debtor and all other matters and things have been done and performed so as to authorize and make the execution and delivery of this Security Agreement, and the performance of the Debtor's obligations hereunder, legal, valid and binding.

12.2 The Debtor represents and warrants that unless otherwise disclosed to the Secured Party, the Debtor lawfully owns and possesses all presently held Collateral, free from all Security Interests save only Permitted Encumbrances, and the Debtor has good right and lawful authority to grant a Security Interest in the Collateral as provided by this Security Agreement.

13. Covenants of the Debtor

13.1 The Debtor covenants that at all times while this Security Agreement remains in effect the Debtor will:

- (a) defend the title to the Collateral for the benefit of the Secured Party against the claims and demands of all persons, subject only to Permitted Encumbrances;
- (b) fully and effectually maintain and keep maintained the Security Interest hereby created valid and effective;
- (c) maintain insurance on the Collateral with an insurer, of kinds, for amounts and payable to such person or persons, all as the Secured Party may reasonably require and is customary in the industry and provide such proof of insurance as the Secured Party may reasonably require;

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- (d) maintain the Collateral in good order and repair;
- (e) forthwith pay:
 - (i) all taxes, assessments, rates, duties, levies, government fees, claims and dues lawfully levied, assessed or imposed upon it or the Collateral when due, unless the Debtor shall in good faith contest its obligations so to pay and shall furnish such security as the Secured Party may require; and
 - (ii) all Security Interests which rank or could in any event rank in priority to or pari passu to any Security Interest created by this Security Agreement, other than Permitted Encumbrances;
- (f) forthwith pay all reasonable costs, charges, expenses and legal fees and disbursements (on a solicitor and his own client basis) which may be incurred by the Secured Party in:
 - (i) inspecting the Collateral;
 - (ii) negotiating, preparing, perfecting and registering this Security Agreement and other documents, whether or not relating to this Security Agreement;
 - (iii) investigating title to the Collateral;
 - (iv) taking, recovering, keeping possession of and insuring the Collateral; and
 - (v) all other actions and proceedings taken in connection with the preservation of the Collateral and the enforcement of this Security Agreement and of any other Security Interest held by the Secured Party as security for the Obligations;
- (g) at the Secured Party's request at any time and from time to time execute and deliver such further and other documents and instruments and do all acts and things as the Secured Party, acting reasonably, may require in order to confirm and perfect, and maintain perfection of, the Security Interests and charges hereby created in favour of the Secured Party upon any of the Collateral;
- (h) notify the Secured Party promptly of:
 - (i) any change in the information contained herein relating to the Debtor, its address, its business or the Collateral;
 - (ii) the details of any material sale or other disposition of any of the Collateral;
 - (iii) any material loss of or damage to the Collateral;
 - (iv) any material default by any account debtor in payment or other performance of his obligations to the Debtor with respect to any Accounts; and
 - (v) the return to or repossession by the Debtor of the Collateral where such return or repossession of the Collateral is material in relation to the business of the Debtor;

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- (i) prevent the Collateral, other than Inventory sold, leased, or otherwise disposed of as permitted hereby, from being or becoming a fixture not covered by this Security Agreement;
- (j) permit the Secured Party and its representatives, at reasonable times during regular business hours after reasonable notice not exceeding two business day's, access to all its property, assets and undertakings and to all its books of account and records for the purpose of inspection and render all assistance necessary for such inspection; and
- (k) deliver to the Secured Party from time to time promptly upon request:
 - (i) any documents of title, instruments, securities and chattel paper constituting, representing or relating to Collateral;
 - (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Collateral for the purpose of inspecting, auditing or copying the same;
 - (iii) all financial statements prepared by or for the Debtor regarding the Debtor's business;
 - (iv) all policies and certificates of insurance relating to the Collateral; and
 - (v) such information concerning the Collateral, the Debtor and the Debtor's business and affairs as the Secured Party may require.

14. Performance of Obligations

14.1 If the Debtor fails to perform its obligations hereunder, the Secured Party may, but shall not be obliged to, perform any or all of such obligations without prejudice to any other rights and remedies of the Secured Party hereunder, and any payments made and any costs, charges, expenses and legal fees and disbursements (on a solicitor and his own client basis) incurred in connection therewith shall be payable by the Debtor to the Secured Party forthwith with interest until paid at the highest rate borne by any of the Obligations and such amounts shall be a charge upon and Security Interest in the Collateral in favour of the Secured Party prior to all claims subsequent to this Security Agreement.

15. Restrictions on Sale or Disposal of Collateral

15.1 Except as herein provided, without the prior written consent of the Secured Party the Debtor will not:

- (a) sell, lease or otherwise dispose of the Collateral;
- (b) release, surrender or abandon possession of the Collateral other than worn out or obsolete equipment; or
- (c) move or transfer the Collateral from its present location.

15.2 Provided that the Debtor is not in default under this Security Agreement, at any time without the consent of the Secured Party the Debtor may lease, sell, license, consign or otherwise deal

with items of Inventory and other products produced by the Debtor in the ordinary course of its business and for the purposes of carrying on its business.

16. Default

16.1 The Debtor shall be in default under this Security Agreement upon the occurrence of an Event of Default, unless waived in writing by the Secured Party.

17. Enforcement

17.1 The Secured Party may demand payment at any time of any or all of the Obligations that are payable on demand (whether or not the Debtor is in default under this Security Agreement) and upon an Event of Default the Secured Party may declare any or all of the Obligations not payable on demand to become immediately due and payable and upon said demand or declaration being made the security hereby constituted will immediately become enforceable. To enforce and realize on the security constituted by this Security Agreement the Secured Party may take any action permitted by law or in equity, as it may deem expedient, and in particular without limiting the generality of the foregoing, the Secured Party may do any of the following:

- (a) appoint by instrument a receiver, receiver and manager or receiver-manager (the person so appointed is herein called the "**Receiver**") of the Collateral, with or without bond as the Secured Party may determine, and from time to time in its absolute discretion remove such Receiver and appoint another in its stead;
- (b) enter upon any premises of the Debtor and take possession of the Collateral with power to exclude the Debtor, its agents and its servants therefrom, without becoming liable as a mortgagee in possession;
- (c) preserve, protect and maintain the Collateral and make such replacements thereof and repairs and additions thereto as the Secured Party may deem advisable;
- (d) sell, lease or otherwise dispose of all or any part of the Collateral, whether by public or private sale or lease or otherwise, in such manner, at such price as can be reasonably obtained therefore and on such terms as to credit and with such conditions of sale and stipulations as to title or conveyance or evidence of title or otherwise as the Secured Party may deem reasonable, provided that if any sale is on credit the Debtor will not be entitled to be credited with the proceeds of any such sale, lease or other disposition until the monies therefore are actually received; and
- (e) exercise all of the rights and remedies of a secured party under the Act.

17.2 A Receiver appointed pursuant to this Security Agreement shall be the agent of the Debtor and not of the Secured Party and, to the extent permitted by law or to such lesser extent permitted by its appointment, shall have all the powers of the Secured Party hereunder, and in addition shall have power to carry on the business of the Debtor and for such purpose from time to time to borrow money either secured or unsecured, and if secured by a Security Interest on any of the Collateral; such Security Interest may rank before or pari passu with or behind any Security Interest created by this Security Agreement, and if it does not so specify such Security Interest shall rank before the Security Interests created by this Security Agreement.

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17.3 Subject to the claims, if any, of the creditors of the Debtor ranking in priority to this Security Agreement, all amounts realized from the disposition of Collateral pursuant to this Security Agreement will be applied as the Secured Party, in its absolute discretion, may direct as follows:

- (a) in payment of all costs, charges and expenses (including legal fees and disbursements on a solicitor and his own client basis) incurred by the Secured Party in connection with or incidental to:
 - (i) the exercise by the Secured Party of all or any of the powers granted to it pursuant to this Security Agreement; and
 - (ii) the appointment of the Receiver and the exercise by the Receiver of all or any of the powers granted to it pursuant to this Security Agreement, including the Receiver's reasonable remuneration and all outgoings properly payable by the Receiver;
- (b) in or toward payment to the Secured Party of all principal and other monies (except interest) due in respect of the Obligations;
- (c) in or toward payment to the Secured Party of all interest remaining unpaid in respect of the Obligations.

Subject to applicable law and the claims, if any, of other creditors of the Debtor, any surplus will be paid to the Debtor.

18. Deficiency

18.1 If the amounts realized from the disposition of the Collateral are not sufficient to pay the Obligations in full the Debtor will immediately pay to the Secured Party the amount of such deficiency.

19. Rights Cumulative

19.1 All rights and remedies of the Secured Party set out in this Security Agreement are cumulative and no right or remedy contained herein is intended to be exclusive but each will be in addition to every other right or remedy contained herein or in any existing or future security agreement or now or hereafter existing at law, in equity or by statute, or pursuant to any other agreement between the Debtor and the Secured Party that may be in effect from time to time.

20. Liability of Secured Party

20.1 The Secured Party shall not be responsible or liable for any debts contracted by it, for damages to persons or property or for salaries or non-fulfilment of contracts during any period when the Secured Party shall manage the Collateral upon entry, as herein provided, nor shall the Secured Party be liable to account as mortgagee in possession or for anything except actual receipts or be liable for any loss on realization or for any default or omission for which a mortgagee in possession may be liable. The Secured Party shall not be bound to do, observe or perform or to see to the observance or performance by the Debtor of any obligations or covenants imposed upon the Debtor nor shall the Secured Party, in the case of securities, instruments or chattel paper, be obliged to preserve rights against other persons, nor shall the Secured Party be obliged to keep any of the Collateral identifiable. The Debtor hereby waives any applicable provision of law permitted to be waived by it which imposes higher or greater obligations upon the Secured Party than aforesaid.

21. Appointment of Attorney

21.1 The Debtor hereby irrevocably appoints the Secured Party or the Receiver, as the case may be, with full power of substitution, to be the attorney of the Debtor for and in the name of the Debtor to sign, endorse or execute under seal or otherwise any deeds, documents, transfers, cheques, instruments, demands, assignments, assurances or consents that the Debtor is obliged to sign, endorse or execute and generally to use the name of the Debtor and to do all things as may be necessary or incidental to the exercise of all or any of the powers conferred on the Secured Party or the Receiver, as the case may be, pursuant to this Security Agreement, provided that the Secured Party shall not be entitled to perform any act under such appointment before the occurrence of an Event of Default.

22. Accounts

22.1 Notwithstanding any other provision of this Security Agreement, the Secured Party may collect, realize, sell or otherwise deal with the Accounts or any part thereof in such manner, upon such terms and conditions and at such time or times, after default, as may seem to it advisable, and without notice to the Debtor, except in the case of disposition after default and then subject to the provisions of Part V of the Act. All monies or other forms of payment received by the Debtor in payment of any Account will be received and held by the Debtor in trust for the Secured Party.

23. Appropriation of Payments

23.1 Any and all payments made in respect of the Obligations from time to time and monies realized from any Security Interests held therefor (including monies collected in accordance with or realized on any enforcement of this Security Agreement) may be applied to such part or parts of the Obligations as the Secured Party may see fit, and the Secured Party may at all times and from time to time change any appropriation as the Secured Party may see fit.

24. Liability to Advance

24.1 None of the preparation, execution, perfection and registration of this Security Agreement or the advance of any monies shall bind the Secured Party to make any advance or loan or further advance or loan, or renew any Security Agreement or extend any time for payment of any indebtedness or liability of the Debtor to the Secured Party.

25. Waiver

25.1 The Secured Party may from time to time and at any time waive in whole or in part any right, benefit or default under any clause of this Security Agreement but any such waiver of any right, benefit or default on any occasion shall be deemed not to be a waiver of any such right, benefit or default thereafter, or of any other right, benefit or default, as the case may be.

26. Notice

26.1 Notice may be given to either party by sending it through the post in prepaid mail or delivered to the party for whom it is intended, at the principal address of such party provided herein or at such other address as may be given in writing by such party to the other, and any notice if posted shall be deemed to have been given at the expiration of three business days after posting and if delivered, on delivery.

27. Extensions

27.1 The Secured Party may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges, refrain from perfecting or maintaining perfection of Security Interests, and otherwise deal with the Debtor, account debtors of the Debtor, sureties and others and with respect to the Obligations and the Collateral and other Security Interests as the Secured Party may see fit without prejudice to the liability of the Debtor or the Secured Party's right to hold and realize on the security constituted by this Security Agreement.

28. No Merger

28.1 This Security Agreement shall not operate so as to create any merger or discharge of any of the Obligations, or any assignment, transfer, guarantee, lien, contract, promissory Security Agreement, bill of exchange or Security Interest of any form held or which may hereafter be held by the Secured Party from the Debtor or from any other person whomsoever. The taking of a judgment with respect to any of the Obligations will not operate as a merger of any of the covenants contained in this Security Agreement.

29. Assignment

29.1 The Secured Party may, without further notice to the Debtor, at any time assign, transfer or grant a Security Interest in this Security Agreement and the Security Interests granted hereby to any person who is, or who is agent for, the Holder. The Debtor expressly agrees that the assignee, transferee or secured party, as the case may be, shall have all of the Secured Party's rights and remedies under this Security Agreement and the Debtor will not assert any defense, counterclaim, right of set-off or otherwise any claim which it now has or hereafter acquires against the Secured Party in any action commenced by such assignee, transferee or secured party, as the case may be, and will pay the Obligations to the assignee, transferee or secured party, as the case may be, as the Obligations become due.

30. Satisfaction and Discharge

30.1 Any partial payment or satisfaction of the Obligations, or any ceasing by the Debtor to be indebted to the Secured Party, shall be deemed not to be a redemption or discharge of this Security Agreement. The Debtor shall be entitled to a release and discharge of this Security Agreement only upon full payment and satisfaction of all Obligations and upon written request by the Debtor and payment to the Secured Party of all costs, charges, expenses and legal fees and disbursements (on a solicitor and his client basis) incurred by the Secured Party in connection with the Obligations and such release and discharge.

31. Term

31.1 This Security Agreement shall be a continuing agreement in every respect for the payment of the Obligations and it shall remain in full force and effect until all of the Obligations shall be paid and satisfied in full. In the event any provisions of this Security Agreement shall be deemed invalid or void by any court of competent jurisdiction, the remaining terms and provisions of this Security Agreement shall remain in full force and effect. All rights and remedies of the Secured Party set out in this Security Agreement are cumulative and no right or remedy contained herein is intended to be exclusive but each will be in addition to every other right or remedy contained herein or in any existing or future Security Agreement or now or hereafter existing at law, in equity or by statute or pursuant to any other agreement between the Debtor and the Secured Party that may be in effect from time to time. No

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delay or omission by the Secured Party in exercising any right or remedy herein or with respect to the Obligations shall operate as a waiver thereof.

32. Set-Off

32.1 Without limiting any other right of the Secured Party, whenever the Obligations are immediately due and payable or the Secured Party has the right to declare the Obligations to be immediately due and payable (whether or not it has so declared), the Secured Party may, in its sole discretion, set off against the Obligations any and all monies then owed to the Debtor by the Secured Party in any capacity, whether or not due including, without in any way limiting this right of set-off, amounts due by the Secured Party to the Debtor, and the Secured Party shall be deemed to have exercised such right to set off immediately at the time of making its decision to do so even though any charge therefor is made or entered on the Secured Party's records subsequent thereto.

33. Enurement

33.1 This Security Agreement shall enure to the benefit of the Secured Party and its successors and assigns, and shall be binding upon the respective heirs, executors, personal representatives, successors and permitted assigns of the Debtor.

34. Interpretation

34.1 In this Security Agreement:

- (a) **"Capital Leases"** means any and all lease obligations of a lessee that are required to be shown as a liability of such Person on the financial statements of such Person prepared in accordance with GAAP;
- (b) **"Capitalized Lease Obligation"** of any Person means any obligation of such Person to pay rent or other amounts under a Capital Lease;
- (c) **"Collateral"** has the meaning set out in Section 1.1 of this Security Agreement and any reference to Collateral shall, unless the context otherwise requires, be deemed a reference to Collateral as a whole or any part thereof;
- (d) **"Debtor"** and the personal pronoun "it" or "its" and any verb relating thereto and used therewith shall be read and construed as required by and in accordance with the context in which such words are used depending upon whether the Debtor is one or more individuals, corporations or partnerships and, if more than one, shall apply and be binding upon each of them jointly and severally;
- (e) **"Encumbrance"** includes any assignment, mortgage, charge, pledge, lien, hypothec, encumbrance, security interest or insurance securing or in effect securing any obligation, conditional sale or title retention agreement, contractual deposit, trust deposit, escrow arrangement or other preferential arrangement whatsoever, howsoever created or arising, whether absolute or contingent, fixed or floating, legal or equitable, perfected or not, and includes the rights of a lessor pursuant to an operating lease, capitalized lease or sale leaseback arrangement, any right of set-off and any guarantees or indemnities;
- (f) **"Event of Default"** has the meaning provided for in the Note;

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- (g) **"GAAP" or "Generally Accepted Accounting Principles"** means generally accepted accounting principles as may be described in the Chartered Professional Accountants of Canada Handbook, including if used by the Borrower and its Subsidiaries in the preparation of its financial statements, International Financial Reporting Standards or the Canadian Accounting Standards for Private Enterprises to the extent applicable, and other principal sources recognized from time to time by the Chartered Professional Accountants of Canada;
- (h) **"Note Purchase Agreement"** means the note purchase agreement between the Debtor, the Secured Party and the other Holders dated March 31, 2016;
- (i) **"Permitted Encumbrances"** means as of any particular time in relation to the Collateral any of the following Security Interests or rights:
 - (i) statutory Encumbrances of landlords and Encumbrances of carriers, warehousemen, mechanics, suppliers, material men, repairmen and other Encumbrances imposed by law incurred in the ordinary course of business and Encumbrances for taxes, assessments or governmental charges or claims, in either case, for sums not yet overdue or being contested in good faith by appropriate proceedings, if such reserve or other appropriate provision, if any, as shall be required by GAAP shall have been made in respect thereof;
 - (ii) Encumbrances incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security, or to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, government contracts, performance and return-of-money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money);
 - (iii) Encumbrances upon inventory or other goods and proceeds of the Debtor securing such Debtor's obligations for the purchase, shipment or storage of such inventory or other goods;
 - (iv) Encumbrances encumbering deposits made to secure obligations arising from statutory, regulatory, contractual or warranty requirements of the Debtor, including rights of offset and setoff;
 - (v) bankers' liens, rights of setoff and other similar Encumbrances existing solely with respect to cash on deposit in one or more accounts maintained by the Debtor, in each case granted in the ordinary course of business in favour of the bank or banks with which such accounts are maintained, securing amounts owing to such bank with respect to cash management and operating account arrangements, including those involving pooled accounts and netting arrangements; provided, however, that in no case shall any such Encumbrances secure (either directly or indirectly) the repayment of any Indebtedness (as such term is defined in the Notes);
 - (vi) leases or subleases (or any Encumbrances related thereto) granted to others that do not materially interfere with the ordinary course of business of the Debtor;

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- (vii) attachment or judgment Encumbrances not giving rise to an Event of Default and which are being contested in good faith by appropriate proceedings;
 - (viii) easements, rights-of-way, restrictions and other similar charges or encumbrances not materially interfering with the ordinary course of business of the Debtor;
 - (ix) zoning restrictions, licenses, restrictions on the use of real property or minor irregularities in title thereto, which do not materially impair the use of such real property in the ordinary course of business of the Issuer and its Subsidiaries or the value of such real property for the purpose of such business;
 - (x) any right of first refusal, right of first offer, option, contract or other agreement to sell an asset existing on the date hereof;
 - (xi) Encumbrances securing hedging obligations entered into for bona fide hedging purposes of the Debtor not for the purpose of speculation;
 - (xii) Capitalized Lease Obligations of the Debtor provided the aggregate Financial Indebtedness (as defined in the Notes) at any time outstanding under all such Capitalized Lease Obligations does not exceed \$400,000; and
 - (xiii) Security Interests granted to Deans Knight Capital Management Ltd. as collateral agent for the holders of the Senior Notes.
-
- (j) **"Person"** means any individual, firm, partnership, company, corporation or other body corporate, government, governmental body, agency, instrumentality, unincorporated body or association and the heirs, executors, administrators or other legal representatives of an individual;
 - (k) **"Senior Notes"** means the secured notes of the Issuer issued on November 6, 2015 in the aggregate principal amount of \$30 million;
 - (l) **"Security Interest"** means any assignment, mortgage, charge, pledge, lien, hypothec, encumbrance, security interest or insurance securing or in effect securing any obligation, conditional sale or title retention agreement, contractual deposit, trust deposit, escrow arrangement or other preferential arrangement whatsoever, howsoever created or arising, whether absolute or contingent, fixed or floating, legal or equitable, perfected or not, and includes the rights of a lessor pursuant to an operating lease, capitalized lease or sale leaseback arrangement, any right of set-off and any guarantees or indemnities, and includes, where the context requires or permits, the mortgages, charges, assignments, transfers and grant of security interest created hereby;
 - (m) **"the Act"** means the *Personal Property Security Act* (British Columbia) and all regulations thereunder as amended from time to time;
 - (n) **"Unlimited Company"** has the meaning set forth in Section 4.1 of this Security Agreement; and
 - (o) **"Unlimited Liability Shares"** has the meaning set forth in Section 4.1 of this Security Agreement.

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34.2 Words and expressions used herein that have been defined in the Act shall be interpreted in accordance with their respective meanings given in the Act unless otherwise defined herein or unless the context otherwise requires.

34.3 The invalidity or unenforceability of the whole or any part of any clause of this Security Agreement shall not affect the validity or enforceability of any other clause or the remainder of such clause.

34.4 The headings of the clauses of this Security Agreement have been inserted for reference only and do not define, limit, later or enlarge the meaning of any provision of this Security Agreement.

34.5 This Security Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia.

35. **COPY OF AGREEMENT AND FINANCING STATEMENT**

35.1 The Debtor hereby:

- (a) acknowledges receiving a copy of this Security Agreement, and
- (b) waives all rights to receive from the Secured Party a copy of any financing statement, financing change statement or verification statement filed at any time in respect of this Security Agreement.

31st IN WITNESS WHEREOF the Debtor has executed this Security Agreement as of the day of March, 2016.

BUILDDIRECT.COM TECHNOLOGIES INC.
by its authorized signatory:

Authorized Signatory

TERM SHEET – DIP FACILITY**Offering Terms**

Borrower:	BuildDirect.com Technologies Inc., a corporation formed under the <i>Canada Business Corporations Act</i> (the “ Borrower ”).
Interim Lenders:	Pelecanus Investments Ltd., Lyra Growth Partners Inc., Beedie Capital Partners Fund I Limited Partnership, and such other entities as may be added from time to time by amendment to the Credit Agreement (defined below) (collectively the “ Interim Lenders ”).
Agent:	Pelecanus Investments Ltd. shall be appointed by the Interim Lenders as agent under this DIP Term Sheet and the Credit Agreement contemplated thereby (the “ Agent ”).
Maximum Interim Facility:	USD \$15 million, or such greater amount as may be agreed by the Interim Lenders in their sole and absolute discretion (the “ Maximum Amount ”).
Maturity Date and Repayment:	<p>Earliest of:</p> <p>(i) March 2, 2018;</p> <p>(ii) the implementation of a plan of compromise or arrangement within a CCAA proceeding (a “Plan”) in substance approved by the Interim Lenders and which has been approved by requisite majorities of the Borrower’s creditors, an order of the CCAA Court (the “Sanction Order”);</p> <p>(iii) consummation of the Successful Bid(s), as defined below;</p> <p>(iv) the completion of a sale of all or substantially all of the assets of the Borrower in the aggregate (unless the Interim Lenders consent to such sale and agree that the Interim Facility shall remain outstanding, subject to any reduction to the Interim Facility required by the Interim Lenders); or</p> <p>(iv) an Event of Default as defined below (such earliest date, the “Maturity Date”).</p>
Initial Advance:	Initial Advance of USD\$4 million, funded within 24 hours of approval of this DIP Term Sheet by the CCAA Court.
Second Advance	Second Advance of USD\$3 million, funded within 24 hours of satisfaction of Conditions Precedent and receipt of draw notice.
Subsequent Advances:	Subsequent Advances of a maximum of USD\$3 million per month for the months of December 2017, January 2018 and February 2018 at the Interim Lenders’ sole and absolute discretion following draw requests. Availability limited to Maximum Amount, plus interest, fees and costs, and is subject to other conditions described herein.
Use of Proceeds:	To pay: (a) fees and expenses associated with the Interim Facility; (b) fees and expenses of professional and legal advisors of the Borrower, the directors of the Borrower, and the Monitor in relation to the CCAA Proceeding; (c) operational expenses of the Borrower as shown in the Cash

Flow Budget agreed by the Interim Lenders within permitted variances specified therein and; (d) such other expenses as the Interim Lenders shall have consented to in writing.

Closing Date:	First date on which the Conditions Precedent, as defined below, shall have been satisfied.
Interest:	Borrowings under the Interim Facility shall bear interest at twelve percent (12%) per annum on the outstanding principal of the balances of the Advances. Paid monthly in arrears on the first business day of the month following the month in respect of which interest is being paid. Calculated on a 365 day basis.
Security:	Superpriority First Lien security on all existing and future assets, undertakings and properties of every nature and kind, subject only to such permitted encumbrances as shall be specified in the Credit Agreement.
Financial Advisor	The Interim Lenders shall engage Alvarez & Marsal Canada Inc. ("A&M") as financial advisor to the Interim Lenders, and the fees and disbursements of A&M in relation to its engagement as financial advisor shall be paid by the Borrower;
Conditions Precedent:	<p>CCAA Court issuance of the Initial Order no later than October 31, 2017, in form satisfactory to the Interim Lenders which shall include approval of this DIP Term Sheet and approve the appointment of A&M as financial advisor to the Interim Lenders;</p> <p>Execution and delivery of a Credit Agreement and ancillary documentation within three (3) days after the Initial Order, which shall include a release of the Agent and the Interim Lenders, their agents, officers etc. past and present, up to the date thereof;</p> <p>Approval by the Interim Lenders of the Cash Flow Budget;</p> <p>Approval by the Interim Lenders of a Business Optimization Plan;</p> <p>Approval by the Interim Lenders of an enhanced cash management protocol and reporting process;</p> <p>All representations & warranties in the Credit Agreement shall be true; and</p> <p>No liens shall exist in priority to the Security except as may be permitted by the Interim Lenders.</p>
Covenants:	<p>Borrower's compliance with all Orders made in CCAA proceeding and all requirements of law;</p> <p>Subject to any Order made in the CCAA proceeding, payment by the Borrower of all applicable taxes;</p> <p>Maintenance by the Borrower of all required insurance;</p> <p>Preservation of the Borrower's corporate existence;</p> <p>Reporting to the Interim Lenders as required in the Credit Agreement or as otherwise required from time to time in the sole and absolute discretion of</p>

the Agent, the Interim Lenders or A&M;

Compliance by the Borrower with the terms of all leaseholds and material contracts;

Borrower to provide Interim Lenders with full and unfettered access to all consultants, counsel and advisors, except as may be required to preserve the Borrower's solicitor-client privilege;

Compliance by the Borrower with the Cash Flow Budget within permitted variances specified therein;

Compliance by the Borrower with the Business Optimization Plan;

Compliance by the Borrower with the SISP, as defined below;

Satisfaction by the Borrower of all Milestones as defined below;

The Borrower shall not permit any lien to be created other than as permitted in the Credit Agreement;

The Borrower shall not cause or permit any fundamental changes to its business or affairs;

The Borrower shall not apply for or consent to any modification of the Initial Order or the SISP Order to which the Agent has not consented in writing;

The Borrower shall not apply for or consent to any charge or lien in priority to or *pari passu* with the Security except for statutory liens not capable of being subordinated by the Initial Order;

The Borrower shall not apply for or consent to any order which authorizes the payment of any debt other than in accordance with the Credit Agreement; and

The Borrower shall not apply for or consent to the termination of the CCAA proceedings or the conversion thereof to proceedings under the *Bankruptcy and Insolvency Act*.

Milestones:

The Borrower shall achieve each of the following milestones (the "Milestones") on the timeline set out below or such later dates as may be agreed by the Agent and the Interim Lenders in their sole and absolute discretion:

(i) the Borrower shall have commenced the CCAA proceeding and obtained the Initial Order on or before October 31, 2017;

(ii) the Closing Date shall have occurred within three (3) days of issuance of the Initial Order;

(iii) within fourteen (14) days of the issuance of the Initial Order, the CCAA Court shall have entered an order (the "SISP Order") approving a sale and investment solicitation process (the "SISP"), which shall be in form and substance acceptable to the Agent, and which shall include the appointment of an investment banker acceptable to the Agent and the

Interim Lenders who shall have sole authority to negotiate a transaction on behalf of the Borrower;

(iv) within three (3) business days of the issuance of the SISP Order, the Borrower's investment banker shall forward process letters to any potential bidders;

(v) the comeback motion in respect of the Initial Order, which shall be in form and substance satisfactory to the Agent, and which shall include authority seeking to implement the SISP and approve the Credit Agreement and Security on a final basis shall be heard within twenty one (21) days of the Initial Order;

(vi) within thirty (30) days after issuance of the SISP Order but in no circumstances later than December 15, 2017, the Borrower, shall have received (a) at least one non-binding expression of interest pursuant to and in conformance with the SISP with preliminary or conditional commercial terms that are not determined to be unreasonable in the sole and absolute discretion of the Agent and the Interim Lenders; or (b) shall have received a non-binding expression of interest from a third party acceptable to the Agent and the Interim Lenders to sponsor a recapitalization under a Plan;

(vii) in the event the Borrower, in consultation and with the approval of the Agent and the Interim Lenders elects to pursue a recapitalization under a Plan:

(a) within forty five (45) days after issuance of the SISP Order, the Borrower shall have filed the Plan with the CCAA Court and obtained a meeting order;

(b) within sixty-seven (67) days after the issuance of the SISP Order, the Plan shall have been approved by the requisite majorities of creditors;

(c) within two (2) days after creditor approval, the Borrower shall have served a motion seeking sanction of the Plan by the CCAA Court;

(d) within three (3) days after serving such a motion, the CCAA Court shall have sanctioned the Plan; and

(e) within thirty one (31) days after sanction of the Plan by the CCAA Court, the Borrower shall have consummated the Plan.

(viii) in the event the Borrower, in consultation and with the approval of the Agent and the Interim Lenders elects to proceed with a sale pursuant to the SISP:

(a) within sixty (60) days after issuance of the SISP Order, the Borrower, with the consent of the Agent and the Interim Lenders, shall have selected the successful binding bid(s) (the "**Successful Bid(s)**") and negotiated definitive documentation in respect of the Successful Bid(s) in form and substance acceptable to the Agent and the Interim Lenders;

(b) within two (2) days after selection of the Successful Bid(s), the Borrower shall have served a motion seeking approval of the Successful Bid(s) by the CCAA Court;

(c) within three (3) days after serving such a motion, the CCAA Court shall have approved the Successful Bid(s); and

(d) within thirty one (31) days after approval of the Successful Bid(s) by the CCAA Court, the Borrower shall have consummated the Successful Bid(s), which shall be in form an substance acceptable to the Agent and the Interim Lenders.

Events of Default:

Failure by the Borrower to make any payment as required by the Credit Agreement;

Any representation or warranty by the Borrower in the Credit Agreement shall prove to have been incorrect in any material respect when made;

The Borrower shall fail to meet any Milestone;

Breach of any other Covenant by the Borrower which is not remedied within three (3) business days' notice by the Agent or the Interim Lenders;

A material adverse change in the affairs or business of the Borrower shall occur;

If any Plan is sanctioned or any order is made by the CCAA Court that contravenes or is inconsistent with this DIP Term Sheet or the Credit Agreement so as to adversely affect the interests of the Agent or the Interim Lenders, as determined by them;

The filing of a motion by the Borrower seeking approval of a Plan or the entry of an order sanctioning a Plan that does not require repayment in full in cash of all obligations, including prepetition obligations, to the Interim Lenders on the date of a final approval order under the CCAA without the express consent of the Interim Lenders;

If any proceeding, motion or application is commenced or filed by the Borrower, or if commenced by another person, is supported, consented to or remains uncontested by the Borrower for a period of five (5) business days, challenging the validity, priority, perfection or enforceability of the Security, this DIP Term Sheet or the Credit Agreement; or

Termination of the CCAA proceedings, termination or expiration of the stay thereunder, or conversion to proceedings under the *Bankruptcy and Insolvency Act*.

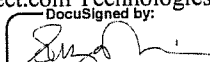
Costs and Expenses

Borrower shall pay all reasonable legal and advisory expenses and costs of realization and enforcement of security of the Interim Lenders

Dated for reference the 30th day of October, 2017

BuildDirect.com Technologies Inc.

Per:


Authorized Signatory

Pelecanus Investments Ltd.

Per:

Authorized Signatory

(c) within three (3) days after serving such a motion, the CCAA Court shall have approved the Successful Bid(s); and

(d) within thirty one (31) days after approval of the Successful Bid(s) by the CCAA Court, the Borrower shall have consummated the Successful Bid(s), which shall be in form an substance acceptable to the Agent and the Interim Lenders.

Events of Default:

Failure by the Borrower to make any payment as required by the Credit Agreement;

Any representation or warranty by the Borrower in the Credit Agreement shall prove to have been incorrect in any material respect when made;

The Borrower shall fail to meet any Milestone;

Breach of any other Covenant by the Borrower which is not remedied within three (3) business days' notice by the Agent or the Interim Lenders;

A material adverse change in the affairs or business of the Borrower shall occur;

If any Plan is sanctioned or any order is made by the CCAA Court that contravenes or is inconsistent with this DIP Term Sheet or the Credit Agreement so as to adversely affect the interests of the Agent or the Interim Lenders, as determined by them;

The filing of a motion by the Borrower seeking approval of a Plan or the entry of an order sanctioning a Plan that does not require repayment in full in cash of all obligations, including prepetition obligations, to the Interim Lenders on the date of a final approval order under the CCAA without the express consent of the Interim Lenders;

If any proceeding, motion or application is commenced or filed by the Borrower, or if commenced by another person, is supported, consented to or remains uncontested by the Borrower for a period of five (5) business days, challenging the validity, priority, perfection or enforceability of the Security, this DIP Term Sheet or the Credit Agreement; or

Termination of the CCAA proceedings, termination or expiration of the stay thereunder, or conversion to proceedings under the *Bankruptcy and Insolvency Act*.

Costs and Expenses

Borrower shall pay all reasonable legal and advisory expenses and costs of realization and enforcement of security of the Interim Lenders

Dated for reference the 30th day of October, 2017

BuildDirect.com Technologies Inc.

Pelecanus Investments Ltd.

Per:

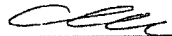
Per:

Authorized Signatory

Authorized Signatory

Lyra Growth Partners Inc.

Per:



Authorized Signatory

Beedie Capital Partners Fund I Limited Partnership

Per:

Authorized Signatory

Lyra Growth Partners Inc.

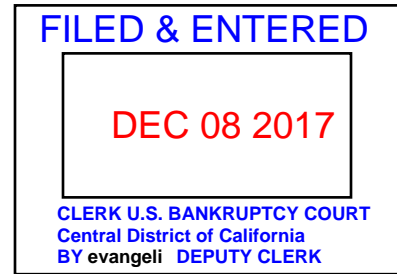
Per: _____
Authorized Signatory

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Per: _____
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Attorneys for Foreign Representative for
BuildDirect.com Technologies Inc.



CHANGES MADE BY COURT

UNITED STATES BANKRUPTCY COURT

CENTRAL DISTRICT OF CALIFORNIA

LOS ANGELES DIVISION

In re:

BuildDirect.com Technologies Inc.,

Debtor.

Case No. 2:17-bk-23522-ER

Chapter 15

ORDER GRANTING RECOGNITION OF
FOREIGN MAIN PROCEEDINGS AND
RELATED RELIEF PURSUANT TO
SECTIONS 362, 365(e), 1517, 1519, 1520, 1521,
AND 105(a) OF UNITED STATES
BANKRUPTCY CODE

Hearing:

Date: December 6, 2017

Time: 10 a.m.

Place: Courtroom 1568

United States Courthouse

255 East Roybal Street

Los Angeles, CA 90012

Upon the Petition for Recognition of Foreign Proceedings (Case Docket No. 3), dated
November 1, 2017 ("**Petition**"), of BuildDirect.com Technologies Inc., in its capacity as the
authorized foreign representative ("**Foreign Representative**") of the above-captioned debtor
("**BuildDirect**" or "**Debtor**"), Motion of Foreign Representative for Entry of Provisional and

1 Final Orders Granting Relief Pursuant to Sections 362, 365(e), 1517, 1519, 1520, 1521, and
2 105(a) of the United States Bankruptcy Code, dated November 1, 2017 (Case Docket No. 4)
3 (“**Motion**”), Affidavit of John Sotham, dated November 1, 2017 (Case Docket No. 5) (“**Sotham**
4 **Affidavit**”), the Court having jurisdiction to consider and the Petition and Motion and grant the
5 relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334 and 11 U.S.C. §§ 1501 *et*
6 *seq.* and 105(a); the Petition and Motion and the relief requested therein all being core
7 proceedings pursuant to 28 U.S.C. § 157(b)(2)(P); venue being proper before this Court pursuant
8 to 28 U.S.C. § 1410; the Court having granted the Motion on a provisional basis on November 3,
9 2017 on the terms set forth in its Provisional Order Pursuant to Sections 362, 365(e), 1517, 1519,
10 1520, 1521, and 105(a) of the United States Bankruptcy Code Granting Relief, dated November 3,
11 2017 (Case Docket No. 14) (“**Provisional Order**”); the Foreign Representative having filed its
12 Notice of Issuance by the Supreme Court of British Columbia of (1) Order Made After
13 Application Approving Sale And Investment Solicitation Process, Key Employee Retention Plan
14 And Charge, Amendments To October 31, 2017 Initial Order, And Approval Of Funds Paid Into
15 Trust; And (2) Order Made After Application (Amended And Restated Initial Order) and the
16 exhibits thereto (Case Docket No. 27) (“**Notice**”); due and proper notice of the relief sought
17 through the Petition and Motion having been provided and no other or further notice needing to
18 be provided; no objections having been filed to any of the relief sought through the Petition or
19 Motion; a hearing (“**Hearing**”) having been held before this Court to consider the Petition and
20 Motion, on December 6, 2017; the appearances of interested parties appearing at the Hearing
21 having been noted in the record of the Hearing; and upon the Petition, Motion, Sotham Affidavit,
22 Hearing and all prior proceedings and pleadings in this case; and the legal and factual bases set
23 forth in the Petition, Motion and Sotham Affidavit having established just cause for the relief
24 granted herein; the Court having found and determined that the grant of the relief sought through
25 the Petition and Motion is in the best interests of the Debtor, its estate and creditors and should be
26 granted; and after due deliberation and sufficient cause appearing therefor;

27 **THIS COURT HEREBY FINDS AND DETERMINES THAT:**
28

1 A. The findings and conclusions set forth herein constitute this Court’s findings of
2 fact and conclusions of law pursuant to Rule 7052 of the Federal Rules of Bankruptcy
3 Procedures (“**Bankruptcy Rules**”) made applicable to this proceeding pursuant to Bankruptcy
4 Rule 9014. To the extent any of the following findings of fact constitute conclusions of law,
5 they are adopted as such. To the extent any of the following conclusions of law constitute
6 findings of fact, they are adopted as such.

7 B. This Court has jurisdiction to consider the relief sought through the Petition and
8 Motion pursuant to 28 U.S.C. §§ 157 and 1334.

9 C. The Petition and Motion present core proceedings pursuant to 28 U.S.C. §
10 157(b)(2)(P).

11 D. Venue is proper before this Court pursuant to 28 U.S.C. § 1410.

12 E. The Foreign Representative is a “foreign representative” as that term is defined
13 in section 101(24) of the Bankruptcy Code.

14 F. The Foreign Representative has complied with 11 U.S.C. §§ 1504, 1509 and
15 1515 and Bankruptcy Rule 2002(q).

16 G. The case commenced by BuildDirect in the Supreme Court of British Columbia
17 (“**Canadian Court**”), Case No. S1710095, under the *Companies’ Creditors Arrangement Act*,
18 R.S.C. 1985, c. C-36, as amended (“**Canadian Proceeding**”) on October 31, 2017, is entitled to
19 be recognized by this Court as a foreign proceeding pursuant to 11 U.S.C. § 1517.

20 H. Canada is the country where the Debtor has the center of its main interests and
21 the Canadian Proceeding is a “foreign main proceeding” as defined in 11 U.S.C. § 1502(4) and
22 is entitled to recognition as and is hereby recognized as a “foreign main proceeding” pursuant
23 to 11 U.S.C. § 1517(b)(1).

24 I. The Foreign Representative is entitled to all the relief available pursuant to 11
25 U.S.C. §§ 1501 *et seq.* including, without limitation, application of the automatic stay
26 contained in 11 U.S.C. § 362 with respect to BuildDirect and its property within the territorial
27 jurisdiction of the United States.
28

1 J. The Foreign Representative has demonstrated that application of 11 U.S.C. §
2 365(e) in this case is necessary to protect valuable contract rights and assets of BuildDirect
3 located within the territorial jurisdiction of the United States.

4 K. The Canadian Court has entered the Order Made After Application (Initial
5 Order), dated October 31, 2017 (“**Initial Order**”), Order Made After Application, dated
6 November 14, 2017 (“**Second Order**”), and Order Made After Application (Amended and
7 Restated Initial Order), dated November 21, 2017 (“**ARIO**”), amending and restating the Initial
8 Order¹.

9 L. The Court incorporates herein the Tentative Ruling granting the Petition and
10 Motion (which Tentative Ruling is at Case Docket No. 29).

11 **NOW, THEREFORE, IT IS HEREBY ORDERED THAT:**

12 1. The Petition and the Motion are granted as set forth in this Order.

13 2. The Canadian Proceeding is granted recognition as a foreign main proceeding
14 pursuant to 11 U.S.C. § 1517.

15 3. All relief afforded foreign main proceedings pursuant to 11 U.S.C. § 1520 is
16 hereby granted to the Canadian Proceeding, BuildDirect and the Foreign Representative, as
17 applicable.

18 4. The provisions of 11 U.S.C. § 362 shall be applied and hereby do apply with
19 respect to BuildDirect and its property within the territorial jurisdiction of the United States,
20 including, without limitation, staying the commencement or continuation of any actions against
21 BuildDirect or its property located in the United States.

22 5. The provisions of 11 U.S.C. § 365(e) shall be applied and hereby do apply with
23 respect to executory contracts within the territorial jurisdiction of the United States.

24 6. The terms of the Initial Order, Second Order and ARIO, including all existing
25 and future extensions, amendments, restatements and/or supplements thereof approved or
26

27
28 ¹ A copy of the Initial Order is attached to the Sotham Affidavit and copies of the Second Order
and ARIO are attached to the Notice.

1 authorized by the Canadian Court (collectively, the “**Canadian Orders**”) are hereby given full
2 force and effect in the United States on a final basis.

3 7. The Canadian Proceedings and all terms of the Canadian Orders shall be and
4 hereby are granted comity in the United States.

5 8. All relief granted by the Court through the Provisional Order shall be extended
6 and remain in full force and effect, except as modified by this Order.

7 9. The Foreign Representative, its counsel, and PriceWaterhouseCoopers Inc., in its
8 capacity as the monitor of BuildDirect appointed by the Canadian Court in the Canadian
9 Proceeding (“**Monitor**”), are authorized and directed to serve a copy of this Order by electronic
10 mail or first class mail on all entities against which provisional relief was granted pursuant to the
11 Provisional Order, all vendors of BuildDirect which are creditors of BuildDirect, exclusive of
12 those located within Canada, and all secured creditors of BuildDirect. Such service shall be
13 completed within five calendar days of entry of this Order and proof of service shall be filed with
14 the Court promptly thereafter. The Clerk of the Court shall not serve notice of entry of this Order
15 or cause notice of entry of this Order to be served.

16 10. The Foreign Representative and its successors, representatives, advisors, Monitor
17 and professionals are entitled to the protections contained in 11 U.S.C. §§ 306 and 1510.

18 11. Notwithstanding the provisions of any applicable Bankruptcy Rule, the terms of
19 this Order shall be effective and enforceable immediately upon entry.

20 12. The Foreign Representative is authorized to take all actions necessary to
21 effectuate the relief granted pursuant to this Order.

22 13. This Court shall have and retain exclusive jurisdiction to hear and determine all
23 matters arising from or related to the implementation, interpretation and/or enforcement of this
24 Order.

1 IT IS SO ORDERED.

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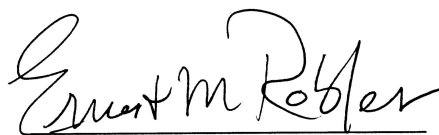
24 Date: December 8, 2017

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Ernest M. Robles
United States Bankruptcy Judge

To: Bell

Via Email to: [REDACTED]@bell.ca

And To: PricewaterhouseCoopers Inc., in its capacity as Monitor of BuildDirect.com Technologies Inc. (the "**Monitor**")

Via Email to: Patricia Marshall (patricia.marshall@ca.pwc.com)


Take notice that:

1. Proceedings under the *Companies' Creditors Arrangement Act* (the "**Act**") in respect of BuildDirect.com Technologies Inc. (the "**Debtor**"), were commenced on October 31, 2017 in the Supreme Court of British Columbia (the "**Court**").
2. In accordance with subsection 32(1) of the Act, the Debtor gives you notice of its intention to disclaim or resiliate the following agreement:

Agreement # BW-2HJELX-7, for internet services provided at premises at 13333 Vulcan Way, Richmond, BC, V6V 1K4 (the "**Agreement**")

3. In accordance with subsection 32(2) of the Act, any party to the Agreement may, within 15 days after the date on which this notice is given and with notice to the other parties to the Agreement and to the Monitor, apply to the Court for an order that the Agreement is not to be disclaimed or resiliated.
4. In accordance with subsection 32(5)(a) of the Act, if no application for an order is made in accordance with subsection 32(2) of the Act, the Agreement is disclaimed or resiliated on the 1st day of January, 2018, being 30 days after the date on which this notice has been given.

Dated at **Vancouver, British Columbia**, this 1st day of December, 2017.


John Sotham, VP Finance
BuildDirect.com Technologies Inc.

The Monitor approves the proposed disclaim or resiliation.

Dated at **Vancouver, British Columbia**, this 1st day of December, 2017.



Patricia Marshall, CIRP, LIT
PricewaterhouseCoopers Inc.