

COURT FILE NUMBER QBG 1401 of 2019
COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
JUDICIAL CENTRE SASKATOON
APPLICANT PILLAR CAPITAL CORP.
RESPONDENT HARMON INTERNATIONAL INDUSTRIES INC.

IN THE MATTER OF THE RECEIVERSHIP OF HARMON INTERNATIONAL INDUSTRIES INC.

CONSENT ORDER

(Discharge of Receiver)

Before the Honourable ___ Justice _____ in Chambers the 14th day of October, 2020.

Upon the application of Wayne Pederson and Ryan Pederson, counsel on behalf of Harmon International Industries Inc. (the "**Debtor**"), and upon hearing from Jeffrey M. Lee, Q.C., and Paul Olfert, counsel on behalf of the Receiver, BDO Canada Limited (the "**Receiver**"), and upon hearing from Mike Russell and Kevin Hoy, counsel on behalf of Pillar Capital Corp. ("**Pillar**"), and upon reading the Notice of Application filed on behalf of the Debtor, Affidavit of Calvin Moneo sworn on October 2, 2020, Affidavit of Victor Moneo sworn on October 2, 2020, Draft Order filed on behalf of the Debtor, the Fifth Report of the Receiver (the "**Fourth Report**"), Confidential Supplement to the Fifth Report of the Receiver (the "**Confidential Supplement**"), and Consent Order filed on behalf of the Receiver and endorsed by counsel for each of the Receiver, the Debtor, and Pillar, all filed; and the pleadings and proceedings herein;

The Court Orders:

1. Service of notice of this application and supporting materials is hereby declared to be good, timely and sufficient, and no other person is required to have been served with notice of this application, and time for service of this application is abridged to that time actually given.
2. Words and phrases contained in this Order which begin with capital letters but which are not defined herein shall have the respective meanings ascribed thereto in the Receivership Order of the Honourable Mr. Justice R.W. Elson granted in these proceedings on January 17, 2020 (the "**Receivership Order**").
 - A. Redemption of the Mortgage Loan and Payout of the Receiver's Charge and the Receiver's Borrowings Charge**
3. The total amount owing by the Debtor to Pillar for principal and interest on its mortgage loan (the "**Mortgage Loan**") as of October 14, 2020 is declared to be \$_____.
4. The Debtor has the right to redeem the Mortgage Loan and pay out the amount owing to Pillar upon tendering to Pillar the amount described in paragraph 3 of this Order.
5. The total aggregate amount secured by the Receiver's Charge and the Receiver's Borrowings Charge, as of October 14, 2020, is declared to be \$558,819.00.
6. Subject to paragraphs 10 and 11 hereof, the Debtor has the right to pay out the Receiver's Charge and the Receiver's Borrowings Charge by payment to the Receiver of the amount set out in paragraph 5.

B. Discharge of the Receiver

7. The professional fees and disbursements of the Receiver, as set out in the Fifth Report (including the fees and disbursements necessary to finalize the receivership), are hereby approved without the necessity of a formal passing of its accounts.
8. The professional fees and disbursements of the Receiver's legal counsel, MLT Aikins LLP, as set out in the Fifth Report (including the fees and disbursements necessary to finalize the receivership), are hereby approved without the necessity of a formal assessment of its accounts.
9. All activities, actions and proposed courses of action of the Receiver (collectively, the "**Actions of the Receiver**") to date in relation to the discharge of its duties and mandate as receiver of the Property pursuant to the Orders of this Honourable Court in these proceedings (collectively, the "**Receiver's Mandate**"), as such Actions of the Receiver are more particularly described in the Fifth Report and all of the Receiver's other reports filed in these proceedings, as well as the statement of receipts and disbursements contained in the Fifth Report, shall be and are hereby approved and confirmed.
10. Upon the Receiver filing a certificate, in substantially the form attached to this Order as **Schedule A** (the "**Receiver's Certificate**"), certifying that it has completed the Receiver's Mandate, the Receiver shall be discharged as Receiver of the Property, provided that notwithstanding its discharge:
 - (a) the Receiver shall remain Receiver for the performance of such routine administrative tasks as may be required to complete the administration of the receivership herein (but, for greater certainty, the Receiver shall not be required to respond to communications from Harmon, Calvin Moneo, or Victor Moneo subsequent to the Receiver's discharge); and
 - (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in these proceedings, including all approvals, protections and stays of proceedings in favour of Hardie & Kelly Inc. and/or BDO Canada Limited in their capacity as Receiver.
11. For greater certainty:
 - (a) the Receiver shall not be required to file the Receiver's Certificate until such time as all amounts secured by the Receiver's Charge and the Receiver's Borrowings Charge are paid, and
 - (b) the Receiver shall have the benefit of the Receiver's Charge and the Receiver's Borrowings Charge until the Receiver's Certificate is filed.
12. To the extent (if any) that the amount set out in paragraph 5 hereof exceeds the ultimate amount of the Receiver's Charge and the Receiver's Borrowings Charge at the time of the filing of the Receiver's Certificate, the Receiver is authorized and directed to distribute any and all such excess funds to Pillar, to be applied against the indebtedness owing by Harmon to Pillar.
13. It is hereby adjudged and declared that, based upon the evidence that is currently before this Honourable Court in regard to the Actions of the Receiver:
 - (a) the Receiver has acted honestly and in good faith, and has dealt with the Property and carried out the Receiver's Mandate in a commercially reasonable manner;
 - (b) the Receiver has satisfied all of its duties and obligations pursuant to the Receiver's Mandate;

- (c) the Receiver shall not be liable for any act or omission arising from, relating to or in connection with its discharge of the Receiver's Mandate, save and except for any liability arising out of fraud, gross negligence or willful misconduct on the part of the Receiver;
 - (d) the Receiver has never had and shall not in the future have any liability in regard to any act or omission of the Debtor, including, without limitation, in relation to the business of the Debtor, payment of and/or accounting for any taxes (including, without limitation, goods and services tax) on revenues earned or any indebtedness or obligations whatsoever or howsoever incurred by the Debtor; and
 - (e) no person shall commence an action or proceeding asserting a claim against the Receiver arising from, relating to or in connection with its discharge of the Receiver's Mandate without first obtaining an Order of this Honourable Court (on notice to the Receiver) granting such person leave to commence such action or proceeding, and any such action or proceeding commenced without such leave being obtained is a nullity.
14. Subject to the foregoing, any claims against the Receiver in connection with the Receiver's Mandate are hereby stayed, extinguished and forever barred.
15. Notwithstanding the discharge of the Receiver, the Receiver is hereby granted leave to apply to this Court for such further advice, direction or assistance as may be necessary to give effect to the terms of this Order.
- C. Other Relief**
16. The Confidential Supplement, including all exhibits and appendices thereto, shall be kept sealed and confidential, and shall not form part of the public record but shall be kept separate and apart from the other contents of the Court file in respect of this matter in a sealed envelope which sets out the style of cause in these proceedings and a statement that the contents thereof are subject to a Sealing Order, and shall not be opened except by a Judge of the Saskatchewan Court of Queen's Bench or by further Order of the Court.
17. This Order shall have full force and effect in all Provinces and Territories in Canada, outside Canada and against all Persons against whom it may be enforceable.
18. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
19. Pursuant to section 109 of *The Land Titles Act*, 2000, SS 2000, upon the filing of the Receiver's Certificate with the Court, the Saskatchewan Registrar of Titles shall be and is hereby directed to accept an application to discharge the Court Order registered as Interest Register #123831705.
20. A copy of this Order shall be served on all parties on the service list attached to the Notice of Application filed in this matter;

21. Except as otherwise provided in this Order, each party shall bear their own costs.

ISSUED at Saskatoon, Saskatchewan, this ____ day of October, 2020.

(Deputy) Local Registrar

This Order consented to this _____ day of October, 2020.

MLT AIKINS LLP

Per: _____
Jeffrey M. Lee, Q.C. and Paul Olfert
Solicitors for the Receiver, BDO Canada Limited

This Order consented to this _____ day of October, 2020.

LELAND KIMPINSKI LLP

Per: _____
Ryan Pederson
Solicitor for Harmon International Industries Inc.,
Calving Moneo and Victor Moneo

This Order consented to this _____ day of October, 2020.

THE W LAW GROUP LLP

Per: _____
Michael Russell and Kevin Hoy
Solicitors for Pillar Capital Corp.

NOTICE

Take notice that, unless the order is consented to by the respondent or a person affected by the order or unless otherwise authorized by law, every order made without notice to the respondent or a person affected by the order may be set aside or varied on application to the Court. You should consult your lawyer as to your rights.

CONTACT INFORMATION AND ADDRESS FOR SERVICE:

Name of firm: MLT Aikins LLP
Lawyer in charge of file: Jeffrey M. Lee, Q.C. and Paul Olfert
Address of firm: 1201 – 409 3rd Avenue South, Saskatoon, SK S7K 5R5
Telephone number: (306) 675-7100
Email address: JMLee@mltaikins.com / POlfert@mltaikins.com
File No: 33124.16

SCHEDULE A

FORM OF RECEIVER'S DISCHARGE CERTIFICATE

COURT FILE NUMBER QBG 268 of 2018

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

JUDICIAL CENTRE SASKATOON

APPLICANT PILLAR CAPITAL CORP.

RESPONDENT HARMON INTERNATIONAL INDUSTRIES INC.

IN THE MATTER OF THE RECEIVERSHIP OF
HARMON INTERNATIONAL INDUSTRIES INC.

RECEIVER'S DISCHARGE CERTIFICATE

RECITALS

1. Pursuant to an Order of the Honourable Mr. Justice R.W. Elson dated January 17, 2020 (the "**Receivership Order**"), Hardie & Kelly Inc. was appointed as receiver of the property, assets and undertaking of Harmon International Industries Inc. (the "**Debtor**").
2. Pursuant to an Order of the Honourable Mr. Justice N.G. Gabrielson granted on October 1, 2020, BDO Canada Limited (the "**Receiver**") was substituted in place of Hardie & Kelly Inc. as Receiver.
3. Pursuant to the Order (Discharge of Receiver) granted by the Honourable __ Justice _____ on October 14, 2020, BDO Canada Limited was discharged as the Receiver of the Debtor, to be effective upon the filing by the Receiver with the Court of a Receiver's Discharge Certificate confirming that the Receiver's Mandate (as that term is defined in the Discharge Order) has been completed to the satisfaction of the Receiver, including the payment of all amounts secured by the "**Receiver's Charge**" and the "**Receiver's Borrowings Charge**" (as each of those terms is defined in the Receivership Order).

THE RECEIVER HEREBY CERTIFIES THAT:

1. The Receiver's Mandate (with the exception of routine administrative tasks required to complete the administration of the receivership) has been completed to the satisfaction of the Receiver, including the payment of all amounts secured by the Receiver's Charge and the Receiver's Borrowings Charge.

**BDO Canada Limited, in its capacity as Receiver of the
undertaking, property and assets of Harmon International
Industries Inc., and not in its personal capacity.**

Per: _____

Name:

Time: