

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

THE HONOURABLE

JUSTICE

*Partillo*

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TUESDAY, THE 6th

DAY OF JUNE, 2017



IN THE MATTER OF the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended

AND IN THE MATTER of a Plan of Compromise or Arrangement of Grafton-Fraser Inc.

**Applicant**

**ASSIGNMENT ORDER**

THIS MOTION, made by the Applicant for an order assigning the rights and obligations of the Applicant under the Assigned Contracts (as defined below) as contemplated by the agreement of purchase and sale between the Applicant and GSO GF Acquisition B.C. Ltd. (formerly 1104307 B.C. Ltd.) (the "**Purchaser**") dated January 24, 2017, as amended by amending agreements on February 16, 2017, March 3, 2017, March 14, 2017 and June 5, 2017 (as amended, the "**Sale Agreement**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Mark Sun sworn May 30, 2017 and the Fourth Report of Richter Advisory Group Inc., in its capacity as the court appointed monitor of the Applicant (the "**Monitor**"), dated June 1, 2017 and on hearing the submissions of counsel for the Applicant, the Monitor, the Purchaser, Canadian Imperial Bank of Commerce, no one appearing for any other person on the service list, although properly

served as appears from the affidavits of Dylan Chochla and Irene Artuso sworn June 1 and June 2, 2017, respectively, filed:

1. THIS COURT ORDERS that any capitalized term used and not defined herein shall have the meaning given to it in the Sale Agreement.

### **SERVICE**

2. THIS COURT ORDERS that the time for service of notice of this motion is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

### **ASSIGNMENT OF AGREEMENTS**

3. THIS COURT ORDERS that upon delivery of the Monitor's Certificate (the "**Monitor's Certificate**") referred to in the Order of Justice Pattillo dated May 2, 2017 (the "**Approval and Vesting Order**"), all of the rights and obligations of the Applicant under the agreements set out in Schedule "A" hereto, including all associated or related agreements, schedules, appendices, addendum, amendments, supplements, restatements or other modifications (each an "**Assigned Contract**" and collectively, the "**Assigned Contracts**") shall be assigned to the Purchaser pursuant to section 11.3 of *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**").

4. THIS COURT ORDERS that, with respect to the Assigned Contracts that are real property leases (collectively, the "**Real Property Leases**"), upon delivery of the Monitor's Certificate, the Purchaser shall be entitled to all of the rights and benefits and subject to all of the obligations and restrictions as tenant pursuant to the terms of the Real Property Leases and registrations thereof for the period commencing from and after the delivery of such Monitor's Certificate and may enter into and upon and hold and have quiet enjoyment of such premises contemplated by the Real Property Leases and, if applicable, any renewals thereof, for its own use and benefit, all in accordance with the terms of the Real Property Leases, without any interruption from the Applicant,

the landlords under the Real Property Leases or any person whomsoever claiming through or under any of the Applicant or the landlords under the Real Property Leases.

5. THIS COURT ORDERS that the assignment to the Purchaser of the rights and obligations of the Applicant under the Assigned Contracts pursuant to the CCAA and this Order is valid and binding upon all of the counterparties to the Assigned Contracts notwithstanding any restriction or prohibition contained in any such Assigned Contracts relating to the assignment thereof, including, without limitation, any provision requiring the consent of any party to the assignment.

6. THIS COURT ORDERS that the Applicant's right, title and interest in and to the Assigned Contracts that are not Real Property Leases shall vest absolutely in the Purchaser as Purchased Assets subject to and in accordance with the provisions of the Sale Agreement and the Approval and Vesting Order.

7. THIS COURT ORDERS that the Applicant's right, title and interest in and to the Real Property Leases shall be assigned absolutely to the Purchaser as Purchased Assets further to the provisions of the Sale Agreement and subject to the Approval and Vesting Order.

8. THIS COURT ORDERS that each counterparty to an Assigned Contract is prohibited from exercising any right or remedy as against the Purchaser by reason of any defaults thereunder arising from the assignment of the Assigned Contracts, the insolvency of the Applicant, the commencement of these CCAA proceedings or the Applicant having breached a non-monetary obligation under the Assigned Contract, unless, with respect to any of the Real Property Leases, and notwithstanding any other provision of this Order: (i) any such non-monetary breach arises or continues after the Real Property Lease is assigned to the Purchaser; (ii) such non-monetary default is capable of being cured by the Purchaser; and (iii) the Purchaser has failed to remedy the default after having received notice of such default pursuant to the terms of the applicable Real Property Lease. For clarification, no counterparty shall rely on a notice of default sent to the Applicant to terminate the Assigned Contract as against the Purchaser.

9. THIS COURT ORDERS that the Cure Costs of the contracts listed in Schedule "A" hereto shall be in amounts set out in Schedule "A" hereto and that upon Closing, the Purchaser shall pay the Cure Costs as set out therein with respect to each applicable Assigned Contract, in full and final satisfaction of any Cure Costs owing to the counterparty to the applicable Assigned Contract, by no later than the day that is five (5) business days following delivery of the Monitor's Certificate to the Purchaser.

10. THIS COURT ORDERS that, notwithstanding paragraphs 4 and 9 of this Order, the Purchaser shall remain liable for and obtain the benefit of any monetary obligations pursuant to and in accordance with the terms of any of the Real Property Leases even if such monetary obligations or benefits pertain to periods of time on or before the Closing Date and not included in the Cure Costs amount pertaining to such Real Property Lease.

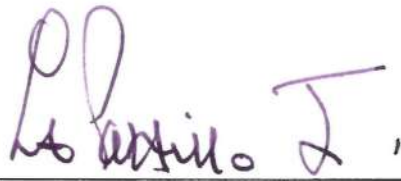
11. THIS COURT DIRECTS the Applicant to send a copy of this Order to all of the counterparties to the Assigned Contracts listed in Schedule "A".

12. THIS COURT ORDERS that notwithstanding anything contained in this Order, nothing shall derogate from the obligation of the Purchaser to assume the Assumed Liabilities and perform its obligations in respect of the Assumed Contracts pursuant to the Sale Agreement.

13. THIS COURT ORDERS that the Monitor is hereby authorized to take such actions as it deems necessary or appropriate in the circumstances to assist the Applicant in the assignment and transfer of the Assigned Contracts.

14. 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 Applicant 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 Applicant, as may be necessary or desirable to give effect to this Order or to

assist the Applicant and its agents in carrying out the terms of this Order.

  
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SCHEDULE "A"

#	Description of Agreement	Counterparty	Cure Costs (CAD\$)
1.	Vehicle lease agreement and disclosure statement, dated August 11, 2016	Agincourt Mazda	0.00
2.	Lease for store number 16052 at West Landing Centre in Saskatchewan	Westfield University Park Ltd.	1,443.55

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED AND IN  
THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF GRAFTON-FRASER INC.

(the "Applicant")

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**ONTARIO  
SUPERIOR COURT OF JUSTICE  
[COMMERCIAL LIST]**

**Proceedings commenced in Toronto**

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**ORDER  
(ASSIGNMENT ORDER)  
(Returnable June 6, 2017)**

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**FASKEN MARTINEAU DuMOULIN LLP**  
333 Bay Street – Suite 2400  
Bay Adelaide Centre, Box 20  
Toronto, ON M5H 2T6

**Stuart Brotman (LSUC#43430D)**

Tel: 416 865 5419

Fax: 416 364 7813

sbrotman@fasken.com

**Dylan Chochla (LSUC#62137I)**

Tel: 416 868 3425

Fax: 416 364 7813

dchochla@fasken.com

Lawyers for the Applicant, Grafton-Fraser Inc.