

District of Ontario  
Division No. 9 - Toronto  
Court File No: 31-2010608  
Estate File No. 31-2010608

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)  
IN BANKRUPTCY AND INSOLVENCY

THE HONOURABLE ) THURSDAY, THE 20<sup>TH</sup> DAY  
)  
JUSTICE MEW ) OF AUGUST, 2015



IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL  
OF SHERSON GROUP INC.

ORDER  
(Re Assignment of Agreements)

THIS MOTION, made by Sherson Group Inc. ("Sherson"), for an order assigning the rights and obligations of Sherson under certain agreements was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Stephen Applebaum sworn August 12, 2015 and the Exhibits thereto, the Second Report of Richter Advisory Group Inc., in its capacity as proposal trustee (the "Proposal Trustee") dated August 12, 2015 and the Appendices thereto (the "Second Report"), the Affidavit of Ralph Schipani sworn August 12, 2015, and on hearing the submissions of counsel for Sherson, the Proposal Trustee, NineWest Canada LP, by its general partner Jones Canada, Inc. on behalf of Nine West Canada LP (the "Purchaser") and BMO, BDCC, Cadillac Fairview

Corporation, Ivanhoe Cambridge, <sup>Brookfield</sup> and Morguard Investments Limited, no one appearing for any other person on the service list, although properly served as appears from the affidavit of service, filed,

### SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

### ASSIGNMENT OF AGREEMENTS

2. **THIS COURT ORDERS** that following the date of this Order and until the Designation Deadline (as defined in the agreement of purchase and sale between Sherson and the Purchaser dated August 6, 2015 (the "Sale Agreement")), the Purchaser and Sherson may seek to assume and assign to the Purchaser any of the agreements, other than real property leases, to which Sherson is a party (the "Agreements") by filing with the Proposal Trustee and serving, by courier or electronic notice to their counsel, if applicable, on the counterparties to the subject agreements a Notice of Assumption and Assignment (the "Notice"), together with a copy of this Order.

3. **THIS COURT ORDERS** that for Agreements requiring consent of the counterparty to assign the agreement, Sherson shall set forth in the Notice the total of all monetary defaults in relation to the applicable agreement, if any, other than those arising by reason of Sherson's insolvency, the commencement of these proceedings, or Sherson's failure to perform a non-monetary obligation (in each case, the "Sherson Cure Amount"). Where applicable, the Notice shall include a deadline of ten (10) days after the date of service of the Notice for the counterparties to file with the Proposal Trustee and serve upon the Purchaser and Sherson and any other necessary parties, their objections to the Notice, as it relates to the quantum of the cure amount.

Any such objection must set forth (i) the basis for the objection and the exact amount the party asserts as the correct cure amount, and (ii) sufficient documentation to support the cure amount asserted.

4. **THIS COURT ORDERS** that if a counterparty delivers an objection to the Sherson Cure Amount in accordance with paragraph 3 hereof, the Proposal Trustee, the Purchaser, Sherson and the counterparty shall attempt to consensually resolve the objection, failing which, the Proposal Trustee or any interested party, may schedule a 9:30 a.m. appointment with the Court for the purpose of scheduling a motion to resolve the objection.

5. **THIS COURT ORDERS** that with regard to Agreements which require the counterparties' consent and in respect of which the Purchaser delivers a Notice:

(a) which a counterparty fails to file a timely objection to the Sherson Cure Amount; or

(b) where there is a consensual or Court resolution of an objection delivered by a counterparty,

the Proposal Trustee shall deliver to the Purchaser, and immediately thereafter to the counterparty, one or more Proposal Trustee's Assignment Certificate listing the applicable agreement(s) or to be assigned. Contemporaneous with the delivery of the Proposal Trustee's Assignment Certificate to the Purchaser, the Purchaser shall pay the Sherson Cure Amount as set out in the applicable Notice or as determined consensually by the parties or determined by the Court (as the case may be).

6. **THIS COURT ORDERS** that upon delivery of the Proposal Trustee's Assignment Certificate, as contemplated in paragraph 5 hereof, all of the rights and obligations of Sherson in and to the assigned Agreements listed in the applicable Proposal Trustee's Assignment Certificate (in each case, the "**Assigned Agreements**") shall be assigned to and vested in the Purchaser pursuant to sections

66(1) and 84.1 of the *Bankruptcy and Insolvency Act* (Canada) ("**BIA**") and the Approval and Vesting Order granted by this Court on August 20, 2015 (the "**Approval and Vesting Order**").

7. **THIS COURT ORDERS** that the assignment to the Purchaser of the rights and obligations of Sherson under the Assigned Agreements pursuant to sections 66(1) and 84.1 of the BIA is valid and binding upon all of the counterparties to the Assigned Agreements notwithstanding any restriction or prohibition contained in any such Assigned Agreement relating to the assignment thereof, including any provision requiring the consent of any party to the assignment.

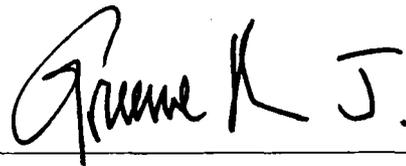
8. **THIS COURT ORDERS** that each counterparty to the Assigned Agreements is prohibited from exercising any right or remedy under the Assigned Agreements by reason of any defaults thereunder arising from these proceedings or the insolvency of Sherson or any failure of Sherson to perform a non-monetary obligation under the Assigned Agreements.

9. **THIS COURT ORDERS** that Sherson's right, title and interest in the Assigned Agreements shall be Purchased Assets under the Approval and Vesting Order and shall vest absolutely in the Purchaser free and clear of all Encumbrances other than the Permitted Encumbrances (as such terms are defined in the Approval and Vesting Order) in accordance with the provisions of the Approval and Vesting Order.

10. **THIS COURT ORDERS** that the Purchaser shall advise Sherson and the Proposal Trustee if it concludes from time to time prior to the Designation Deadline not to take an assignment of any particular Agreement.

11. **THIS COURT ORDERS** that Sherson and Proposal Trustee are hereby directed to take such additional steps and execute such additional documents as may be necessary or desirable for the assignment of the Assigned Agreements to the Purchaser.

12. **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 Sherson, the Proposal Trustee and their respective 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 Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Proposal Trustee and its agents in carrying out the terms of this Order.

  
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ENTERED AT / INSCRIT A TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO.:

 AUG 20 2015

Schedule A

Proposal Trustee's Assignment Certificate

District of Ontario  
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ONTARIO  
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SHERSON GROUP INC.

PROPOSAL TRUSTEE'S ASSIGNMENT CERTIFICATE

RECITALS

- A. On June 29, 2015, Sherson Group Inc. ("**Sherson**") filed a Notice of Intention to Make a Proposal pursuant to the *Bankruptcy and Insolvency Act* Richter Advisory Group Inc. was appointed as Sherson's proposal trustee (the "**Proposal Trustee**").
- B. Pursuant to an Order of the Court dated August 20, 2015 (the "**Approval Order**"), the Court approved the Asset purchase agreement dated of August 6, 2015 (the "**Sale Agreement**") between the Sherson and Nine West Canada LP, by its general partner Jones Canada, Inc. on behalf of Nine West Canada LP (the "**Purchaser**") and provided for the vesting in the Purchaser of Sherson's right, title and interest in and to the Purchased Assets.
- C. Pursuant to an Order of the Court dated August 20, 2015 (the "**Assignment Order**"), providing for the assignment of all of the rights and obligations Sherson in and to various agreements, which vesting and assignment is to be effective upon the delivery by the Proposal Trustee to the Purchaser of an Assignment Certificate.

D. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement and Assignment Order.

**THE PROPOSAL TRUSTEE CERTIFIES** the following:

1. The Purchaser has satisfied any Sherson Cure Amount required to complete the assignment of the agreement specified herein (the “**Assigned Agreement**”)  
**[List Assigned Agreement]**
2. The assignment of the Assigned Agreement has been completed to the satisfaction of the Proposal Trustee, and in accordance with the terms of the Assignment Order.
3. This Certificate was delivered by the Proposal Trustee at \_\_\_\_\_ on \_\_\_\_\_, 2015.

**RICHTER ADVISORY GROUP INC.**, in its capacity as Proposal Trustee of **SHERSON GROUP INC.**, and not in its personal capacity

Per: \_\_\_\_\_  
Name:  
Title:

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
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**ORDER**

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*Lawyers for Sherson Group Inc.*