

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE ) FRIDAY, THE 27<sup>TH</sup>  
 )  
JUSTICE McEWEN ) DAY OF NOVEMBER, 2020

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 NORTH AMERICAN PRODUCERS INC.,  
NAFA PROPERTIES INC., 3306319 NOVA SCOTIA LIMITED, NORTH  
AMERICAN FUR AUCTIONS INC., NAFA PROPERTIES (US) INC.,  
NAFA PROPERTIES SOUGHTON LLC, NORTH AMERICAN FUR  
AUCTIONS (US) INC., NAFPRO LLC (WISCONSIN LLC), NAFA  
EUROPE CO-OPERATIEF UA, NAFA EUROPE B.V., DAIKOKU SP.Z  
OO and NAFA POSKA Sp. Z OO

(the "Applicants")

**ORDER**

**(Re Expanding Certain of the Powers of the Monitor, Funding of Monitor)**

**THIS MOTION** made by the Applicants for an Order expanding certain of the powers of the Monitor, as described herein, was heard on this day by videoconference due to the COVID-19.

**ON READING** the Motion Record and on hearing the submissions of counsel to the Applicants, Monitor, Business Development Bank of Canada, and all other counsel listed on the counsel slip, no one appearing for any other person on the Service List, although properly served as appears on the Affidavit of Service of Ariyana Botejue, sworn, November 25, 2020, filed;

## **SERVICE AND DEFINITIONS**

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.
2. **THIS COURT ORDERS** that any capitalized terms not defined herein shall have the meanings given to them in the Amended and Restated Initial Order of this Court dated October 31, 2019.

## **EXPANSION OF MONITOR'S POWERS REGARDING SKYWAY PROPERTY**

3. **THIS COURT ORDERS** that the Monitor, in addition and subject to the existing powers, duties and obligations of the Monitor, as set out in the Initial Order, the Order regarding Stay Extension, Ancillary Matters and Sealing of Confidential Appendices dated November 5, 2020 (the "**November Order**") and any other Order of this Court in these proceedings, is hereby expressly empowered and authorized to take any steps it considers necessary or desirable, in consultation with Business Development Bank of Canada, the Agent and the Applicants, including by and on behalf of the Applicants, in respect of all of the Applicants' right, title and interests in the leasehold interests set out in Schedule "A" hereto and the Applicants' rights in the real property that is the subject thereof known municipally as 65 Skyway Avenue, Toronto, Ontario (collectively, the "**Skyway Property**").
4. **THIS COURT CONFIRMS** that, notwithstanding anything else, the Applicants remain in possession of the Skyway Property.

## **FUNDING OF THE MONITOR'S EXERCISE OF THE POWERS SET OUT HEREIN**

5. **THIS COURT ORDERS** that the Monitor be at liberty and is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$750,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Monitor by this Order and the November Order in respect of the Skyway Property. The Skyway

Property for which funding is provided hereunder shall be and is hereby charged by way of a fixed and specific charge (the “**Skyway Borrowings Charge**”) as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person.

6. **THIS COURT ORDERS** that neither the Skyway Borrowings Charge nor any other security granted by the Monitor in connection with its borrowings under this Order shall be enforced without leave of this Court.

7. **THIS COURT ORDERS** that the Monitor is at liberty and authorized to issue certificates substantially in the form annexed as Schedule “B” hereto (the “**Borrowings Certificates**”) for any amount borrowed by it pursuant to this Order.

8. **THIS COURT ORDERS** that the monies from time to time borrowed by the Monitor pursuant to this Order or any further order of this Court and any and all Borrowings Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis against the Property secured thereby, unless otherwise agreed to by the holders of any prior issued Borrowings Certificates.

9. **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 Monitor 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 Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Monitor and its agents in carrying out the terms of this Order.

#### **EFFECTIVENESS OF ORDER**

10. **THIS COURT ORDERS** that, due to the COVID-19 pandemic, this Order is immediately effective and enforceable without the need for entry and filing until further direction from this Court.

  
\_\_\_\_\_

## SCHEDULE "A"

The leasehold interest in the Real Property granted pursuant to the ground leases which consist of the:

### Main Ground Lease

The lease dated October 1, 1980 between the Samuel Black, Joseph Black, Norman Black and Beatrice Wintrob, as landlord, and the Rockford Developments Limited and Imbrook Properties Limited, as tenant, with respect to a portion of the Property, as same has been assigned through a series of assignments and has been amended and/or supplemented from time to time, as more particularly described as:.

A. By a lease dated July 30, 1973, and registered on June 5, 1974 as Instrument No. EB434528 certain parcels of lands including that part now designated as part of Lot 21, Concession 3 fronting the Humber River, Etobicoke, and being designated as Part 3 on Plan 64R-8647 were leased by Samuel Black, Joseph Black, Norman Black, and Beatrice Wintrob (the "**Blacks and Wintrob**"), as landlords, to Rockford Developments Limited ("**Rockford**") as tenant, for a term expiring February 28, 2073 (the "**Original Head Lease**");

B. By an assignment of lease dated March 17, 1980, and registered on March 28, 1980 as Instrument No. EB521978, Rockford assigned an undivided one-half interest in the Original Head Lease to Imbrook Properties Limited ("**Imbrook**");

C. The Original Head Lease permits certain "peel off" leases;

D. By a peel off lease dated October 1, 1980, a notice of which was registered on October 30, 1980 as Instrument No. EB529856 (the "**Main Lease**"), among the Blacks and Wintrob, as landlord, and Rockford and Imbrook, as tenant, and Louis Frieberg and Gerda Frieberg, as guarantors, Rockford and Imbrook acquired a leasehold interest in Part 3 on Plan 64R-8647 (the "**Main Lease Lands**");

E. By sublease dated as of October 1, 1980, notice of which was registered on November 6, 1980 as Instrument No. EB530258, Rockford and Imbrook, as sublandlord, subleased the Main Lease Lands to Hudson's Bay Company Developments Limited ("**Hudson's Bay**"), as subtenant, for a term and upon conditions as set forth therein (the "**Sublease**");

F. Section 17.01 of the Sublease granted to the subtenant thereunder the right to purchase all of the leasehold interest of Rockford and Imbrook in the Main Lease Lands together with any options contained therein, effective March 1, 1999;

G. Hudson's Bay exercised the option to purchase contained in Section 17.01 of the Sublease and obtained an assignment of the leasehold interest of Rockford and Imbrook in and to the Main Lease Lands, such assignment to be effective March 1, 1999 with the Sublease remaining in full force and effect until such date, and Hudson's Bay obtained an acknowledgement of receipt of consideration for such assignment by Rockford and Imbrook which was registered on August 10, 1981 as Instrument No. EB540360;

H. Hudson's Bay, as assignor, assigned to Hudson's Bay Company Fur Sales International Limited, as assignee, its leasehold interest in the Main Lease Lands and the Sublease effective as of March 1, 1999 by assignment dated January 16, 1984, notice of which assignment was registered on January 23, 1996, as Instrument No. CA387591;

I. Hudson's Bay Company Fur Sales International Limited, as assignor, assigned to Hudson's Bay Company Fur Sales Canada Limited, as assignee, its leasehold interest in the Main Lease Lands and the Sublease effective March 1, 1999 by assignment dated February 1, 1984, notice of which assignment was registered on January 23, 1996, as Instrument No. CA387592;

J. Hudson's Bay Company Fur Sales Canada Limited changed its name to Hudson's Bay New York Inc. by certificate of amendment dated March 13, 1987, a certified copy of which was deposited on August 25, 1995, as Instrument No. CA362651;

K. Hudson's Bay New York Inc., as assignor, assigned to Markborough Properties Limited, as assignee, its leasehold interest in the Main Lease Lands and the Sublease effective March 1, 1999 by assignment dated April 30, 1988, notice of which assignment was registered on January 23, 1996, as Instrument No. CA387593;

L. Markborough Properties Limited changed its name to Markborough Properties Inc. by certificate of amendment dated March 4, 1989, a certified copy of which was deposited on July 10, 1989 as Instrument No. TB618074;

M. Markborough Properties Inc. thereafter continued into Ontario, and amalgamated with Cambridge Shopping Centres Limited effective June 9, 1997 to become Cambridge Shopping Centres Limited;

N. Imbrook assigned its interest in the Main Lease to EL EF Investments Inc. by assignment dated as of November 25, 1985, notice of which assignment was registered December 4, 1985 as Instrument No. TB288766;

O. Rockford assigned its interest in the Main Lease to 908498 Ontario Limited and Vinca Estates Limited, as trustee for Rockford by an assignment dated December 19, 1990, notice of which assignment was registered May 31, 1991 as Instrument No. TB760211;

P. Pursuant to the option to purchase (detailed in recitals E, F and G above), effective March 1, 1999, Cambridge Shopping Centres Limited acquired the interest of EL EF Investments Inc., the interest of 908498 Ontario Limited and the interest of Vinca Estates Limited as trustee for Rockford including the interest of Rockford in the Main Lease;

Q. Cambridge Shopping Centres Limited amalgamated with Ivanhoe Ontario Inc. effective August 13, 2001 and continued as Ivanhoe Cambridge I Inc.;

R. Ivanhoe Cambridge I Inc. assigned its beneficial interest in the Main Lease to Ivanhoe Cambridge II Inc. effective August 15, 2001;

T. Ivanhoe Cambridge I Inc. and Ivanhoe Cambridge II Inc. assigned its interest in the Main Lease by assignment dated February 22, 2017, notice of which assignment was registered February 22, 2017 as Instrument No. AT4492753; and

U. Ivanhoe Cambridge I Inc. and Ivanhoe Cambridge II Inc. assigned its interest in the Sublease by assignment dated February 22, 2017, notice of which assignment was registered February 22, 2017 as Instrument No. AT4492755.

***Main Ground Lease Legal Description:***

**Part of PIN 07424-0195 (LT):** PT LT 21 CON 3 FTH ETOBICOKE; PT 3, 64R8647; TORONTO (ETOBICOKE); CITY OF TORONTO

## City Ground Lease

The lease dated October 1, 1980 between the The Corporation of the Borough of Etobicoke, as landlord, and Rockford Developments Limited and Imbrook Properties Limited, as tenant, with respect to a portion of the Property, as same has been assigned through a series of assignments and has been amended and/or supplemented from time to time, as more particularly described as:

A. By a lease dated October 1, 1980, notice of which was registered on October 30, 1980 as Instrument No. EB529855 (the "**City Lease**"), among The Corporation of the Borough of Etobicoke as landlord and Rockford and Imbrook as tenant, with the Blacks and Wintrob, as landlords to the Original Head Lease, Rockford and Imbrook acquired a leasehold interest in that part of Lot 21, Concession 3 fronting the Humber River, Etobicoke and being designated as Parts 1 and 2 on Plan 64R-8647 (the "**City Lease Lands**"), upon the terms and conditions contained therein;

B. Pursuant to the City of Toronto Act, 1997 S.O. 197, c.2, The Corporation of the Borough of Etobicoke, together with other municipalities, amalgamated to continue as City of Toronto, on January 1, 1998;

C. By sublease dated as of October 1, 1980, notice of which was registered on November 6, 1980 as Instrument No. EB530258, Rockford and Imbrook, as sublandlord, subleased the City Lease Lands to Hudson's Bay as subtenant for a term and upon conditions as set forth therein (the "**Sublease**");

D. Section 17.01 of the Sublease granted to the subtenant thereunder the right to purchase all of the leasehold interest of Rockford and Imbrook in the City Lease Lands together with any options contained therein, effective March 1, 1999;

E. Hudson's Bay exercised the option to purchase contained in Section 17.01 of the Sublease and obtained an assignment of the leasehold interest of Rockford and Imbrook in and to the City Lease Lands, such assignment to be effective March 1, 1999 with the Sublease remaining in full force and effect until such date and Hudson's Bay obtained an acknowledgement of receipt of consideration for such assignment by Rockford and Limited which was registered on August 10, 1981 as Instrument No. EB540360;

F. Hudson's Bay, as assignor, assigned to Hudson's Bay Company Fur Sales International Limited, as assignee, its leasehold interest in the City Lease Lands and the Sublease effective as of March 1, 1999 by assignment dated January 16, 1984, notice of which assignment was registered on January 23, 1996, as Instrument No. CA387591;

G. Hudson's Bay Company Fur Sales International Limited, as assignor, assigned to Hudson's Bay Company Fur Sales Canada Limited, as assignee, its leasehold interest in the City Lease Lands and the Sublease effective March 1, 1999 by assignment dated February 1, 1984, notice of which assignment was registered on January 23, 1996, as Instrument No. CA387592;

H. Hudson's Bay Company Fur Sales Canada Limited changed its name to Hudson's Bay New York Inc. by certificate of amendment dated March 13, 1987, a certified copy of which was deposited on August 25, 1995, as Instrument No. CA362651;

I. Hudson's Bay New York Inc., as assignor, assigned to Markborough Properties Limited, as assignee, its leasehold interest in the City Lease Lands and the Sublease effective March 1, 1999 by assignment dated April 30, 1988, notice of which assignment was registered on January 23, 1996, as Instrument No. CA387593;

J. Markborough Properties Limited changed its name to Markborough Properties Inc. by certificate of amendment dated March 4, 1989, a certified copy of which was deposited on July 10, 1989 as Instrument No. TB618074;

K. Markborough Properties Inc. thereafter continued into Ontario, and amalgamated with Cambridge Shopping Centres Limited effective June 9, 1997 to become Cambridge Shopping Centres Limited;

L. Imbrook assigned its interest in the City Lease to EL EF Investments Inc. by assignment dated as of November 25, 1985, notice of which assignment was registered December 4, 1985 as Instrument No. TB288767;

M. Rockford assigned its interest in the City Lease to 908498 Ontario Limited and Vinca Estates Limited, as trustee for Rockford by an assignment dated December 19, 1990, notice of which assignment was registered May 31, 1991 as Instrument No. TB760210;

N. Pursuant to the option to purchase (detailed in recitals C, D and E above), effective March 1, 1999, Cambridge Shopping Centres Limited acquired the interest of EL EF Investments Inc., the interest of 908498 Ontario Limited and the interest of Vinca Estates Limited as trustee for Rockford including the interest of Rockford, in the City Lease;

O. Cambridge Shopping Centres Limited amalgamated with Ivanhoe Ontario Inc. effective August 13, 2001 and continued as Ivanhoe Cambridge I Inc.; and

P. Ivanhoe Cambridge I Inc. assigned its beneficial interest in the City Lease to Ivanhoe Cambridge II Inc. effective August 15, 2001.

Q. Ivanhoe Cambridge I Inc. and Ivanhoe Cambridge II Inc. assigned its interest in the Main Lease by assignment dated February 22, 2017, notice of which assignment was registered February 22, 2017 as Instrument No. AT4492754.

R. Ivanhoe Cambridge I Inc. and Ivanhoe Cambridge II Inc. assigned its interest in the Sublease by assignment dated February 22, 2017, notice of which assignment was registered February 22, 2017 as Instrument No. AT4492755.

***City Ground Lease Legal Description:***

**Part of PIN 07424-0200 (LT): PT LT 21 CON 3 FTH ETOBICOKE CLOSED BY EB528845, PT 1 AND 2, 64R8647; S/T EB529811; TORONTO (ETOBICOKE); CITY OF TORONTO**

**SCHEDULE "B"**

**BORROWINGS CERTIFICATE**

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that Deloitte Restructuring Inc., in its capacity as Monitor of North American Fur Auctions Inc., et al (the "**Monitor**") pursuant to the Order of Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated November 8, 2019 having Court file number CV-19-00630241-00CL (the "**Proceedings**"), has received as such Monitor from the holder of this certificate (the "**Lender**") the principal sum of \$ \_\_\_\_\_, being part of the total principal sum of \$ \_\_\_\_\_ which the Monitor is authorized to borrow under and pursuant to the Order of this Court in the Proceedings dated November 27, 2020 (the "**Borrowings Order**").

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the \_\_\_\_\_ day of each month] after the date hereof at a notional rate per annum equal to the rate of \_\_\_\_\_ per cent above the prime commercial lending rate of Bank of \_\_\_\_\_ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Monitor pursuant to the Borrowings Order or to any further order of the Court, a charge upon the Skyway Property (as defined in the Borrowings Order), in priority to the security interests of any other person.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Monitor to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Monitor to deal with the Skyway Property as authorized by the Borrowings Order and as authorized by any further or other order of the Court.

7. The Monitor does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Deloitte Restructuring Inc., solely in its capacity  
as Court-appointed Monitor of North American  
Fur Auctions Inc. et al

Per: \_\_\_\_\_

Name:

Title:

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 NORTH AMERICAN FUR PRODUCERS INC., NAFA PROPERTIES INC., 3306319 NOVA SCOTIA LIMITED, NORTH AMERICAN FUR AUCTIONS INC., NAFA PROPERTIES (US) INC., NAFA PROPERTIES STOUGHTON LLC, NORTH AMERICAN FUR AUCTIONS (US) INC., NAFFRO LLC (WISCONSIN LLC), NAFA EUROPE CO-OPERATIEF UA, NAFA EUROPE B.V., DAIKOKU SP.Z OO and NAFA POLSKA SP. Z OO (the "**Applicants**")

27 Nov 20

Order to go, on an unopposed basis, as per the draft filed and signed.  
I have reviewed the materials and heard submissions.  
The relief sought is fair and reasonable given recent developments.



**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**COMMERCIAL LIST**  
Proceeding commenced at Toronto

**ORDER**

**BLANEY MCMURTRY LLP**  
Barristers & Solicitors  
2 Queen Street East, Suite 1500  
Toronto ON M5C 3G5

**David T. Ullmann** (LSO # 42357I)  
Tel: (416) 596-4289  
Fax: (416) 594-2437  
Email: [DUllmann@blaney.com](mailto:DUllmann@blaney.com)

**Stephen Gaudreau** (LSO # 65895M)  
Tel: (416) 596-4285  
Fax: (416) 594-2506  
Email: [sgaudreau@blaney.com](mailto:sgaudreau@blaney.com)

Counsel for the Applicants