

Superior Court
(Commercial Division)

Canada
Province of Québec
District of Montréal
No: 500-11-058763-208

In the matter of the *Companies' Creditors Arrangement Act* of:

**Groupe Dynamite Inc.
GRG USA Holdings Inc.
GRG USA LLC**

Debtors

-and-

Deloitte Restructuring Inc.

Monitor

**Application for a Third Extension of the Stay Period
(Companies' Creditors Arrangement Act, s 11.02(2))**

To the Honourable Peter Kalichman, Judge of the Superior Court, sitting in the Commercial Division for the District of Montréal, the Debtors respectfully submit:

I. Introduction

1. By the present application (the "**Application**"), the Debtors request an extension of the Stay Period to April 19, 2021, in accordance with the terms of the proposed extension order (the "**Proposed Extension Order**"), communicated herewith as **Exhibit P-1**.
2. The relief sought in the Application is necessary and appropriate to allow for the Debtors to continue the restructuring process contemplated in the Initial Order dated September 8, 2020, as amended and restated on September 18, 2020 (the "**Initial Order**").
3. The Monitor supports the relief sought.

II. The Stay Period should be extended

4. On September 8, 2020, the Debtors served an Application for an Initial Order and an Amended and Restated Initial Order (the "**Initial Application**"), as appears from the Court record.

5. The Initial Application provides a detailed description of the activities of the Debtors, their key stakeholders, the circumstances surrounding the filing of the Initial Application as well as the Restructuring contemplated pursuant to the Initial Order.
6. On September 8, 2020, this Court granted the Initial Application and rendered an Initial Order, commencing proceedings in respect of the Debtors under the CCAA (the “**CCAA Proceedings**”).
7. On September 18, 2020, the Court rendered an amended and restated initial order, *inter alia*, confirming the provisions of the Initial Order and extending the Stay Period to October 19, 2020.
8. On October 15, 2020, the Court extended the Stay Period to December 11, 2020.
9. On December 10, 2020, the Court extended the Stay Period to February 26, 2021.
10. Since the last extension of the Stay Period on December 10, 2020, the Debtors:
 - (a) have proceeded to continue their review of their lease portfolio. As of February 15, 2020, Groupe Dynamite had verbal agreements with landlords regarding all of its 303 stores, as well as finally documented agreements regarding 96 of them;
 - (b) has obtained judgment from the Court on their Amended Application to amend the Initial Order with respect to the payment of Post-Filing Rent in Manitoba and Ontario dated November 24, 2020; and
 - (c) have experienced significant closure of their stores as a result of COVID-19 related governmental restrictions in the Canadian provinces of Québec, Ontario, Manitoba and Newfoundland and Labrador. At its peak, from December 26, 2020 to January 22, 2021, 170 stores were thus closed to the public.
11. The Debtors seek the extension of the Stay Period until April 19, 2021 to complete the review of their lease portfolio, to enter into lease amending agreements, and progress towards the to initiation of a claims process and the elaboration of a plan of compromise or arrangement.
12. In addition, given the uncertainties remaining as to the effect the COVID-19 crisis will continue to have on Groupe Dynamite and the broader domestic and global economies, Groupe Dynamite may have to further reduce its footprint and rent expenses by sending additional notices of disclaimer or resiliation of leases.
13. It is respectfully submitted that the Debtors have acted and are acting in good faith and with due diligence and that the proposed extension should be granted, in accordance with the Proposed Extension Order.
14. Given the need to advance the restructuring process as quickly as possible, it is respectfully submitted that this Court order the provisional execution of the order sought notwithstanding any appeal.

FOR THESE REASONS, MAY IT PLEASE THE COURT TO:

RENDER an order substantially in the form of the Proposed Extension Order, Exhibit P-1;
THE WHOLE without legal costs, save in case of contestation.

Montreal, February 17, 2021

McCarthy Tétrault

McCarthy Tétrault LLP

Lawyers for the Debtors

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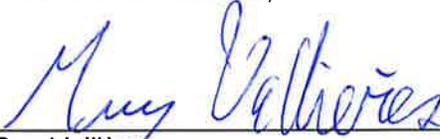
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Affidavit

I, the undersigned, Guy Vallières, authorized representative of the Debtors, domiciled for the purpose hereof at 5592 Ferrier Street, Mount-Royal, Québec, Canada, solemnly affirm that all the facts alleged in the present *Application for a Third Extension of the Stay Period* are true.

AND I HAVE SIGNED,



Guy Vallières

SOLEMNLY AFFIRMED TO BEFORE ME AT
MONTREAL, this 17th day of February, 2021

Natasha Stewart # 223176

COMMISSIONER OF OATHS
FOR THE PROVINCE OF QUÉBEC

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Notice of Presentation

TO: Service List

1. PRESENTATION OF THE PROCEEDING

TAKE NOTICE that the present *Application for a Third Extension of the Stay Period* will be presented for adjudication before the Superior Court of Québec, sitting in the commercial division for the district of Montréal, located at 1 Notre Dame Street East, Montréal, QC, H2Y 1B6, **during the virtual roll** on February 19th, 2021 at 9:30 am and a room 16.04 or soon thereafter as counsel may be heard.

2. HOW TO JOIN THE VIRTUAL PRACTICE ROLL CALL

The coordinates for joining the room 16.04 virtual roll call are the following:

- a) **With Microsoft Teams Tool:** by clicking on the link available on the website www.tribunaux.qc.ca;

You need at that time to inscribe your name and click on "Joining now". In order to facilitate the progress and the identification of the participants, we are inviting you to inscribe your name by this manner:

The lawyers: Mtre First name, Last Name (name of the represented party)

The syndics: First name, Last Name (syndic's name)

The superintendent: First name, Last name (superintendent's name)

The parties non-represented by lawyers: First name, Last name (precise: Plaintiff, Defendant, Petitioner, Respondent, Creditor, Opponent or other)

For people who are assisting to a public hearing: the mention may be limited to entering: (public)

b) **By telephone:**

Canada, Québec (paid number): + 1 581-319-2194

Canada (toll-free number): (833) 450-1741

Conference ID: 516 211 860#

c) **By videoconference:** teams@teams.justice.gouv.qc.ca

Conference VTC ID: 1149478699

d) **In person:** If and only if you do not have access to one of these technological means above-identified. You can then go to room 16.04 of the Courthouse of Montreal, located at:

1 Notre-Dame Street East.

3. DEFAULT OF PARTICIPATING TO THE VIRTUAL ROLL CALL

TAKE NOTICE that if you wish to contest the proceeding you need to advise by written the instigator of the proceeding at the indicated coordinates in this Notice of Presentation at least 48 hours before the presentation date and participate to the virtual roll call. Failing that, a judgment could be rendered during the presentation of the proceeding, without any further notice or delay.

4. OBLIGATIONS

4.1 The Collaboration

TAKE NOTICE that you have the obligation to cooperate with the other party, in particular by informing each other, at all relevant times, of all facts and elements susceptible of promote a loyal debate and making sure you preserve the relevant evidence (*Civil Code of Procedure*, Art. 20).

4.2 Preventing and Resolving Disputes Method

TAKE NOTICE that you must, before going to the Tribunal, considerate the recourse of all preventing and resolving disputes methods which are, among others, negotiation, mediation or arbitration, for which the parties appeal a third-party assistance (*Civil Code of Procedure*, Art. 2).

DO GOVERN YOURSELVES ACCORDINGLY.

Montreal, February 17, 2021

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Proposed Monitor

List of Exhibits

EXHIBITS	DESCRIPTION
Exhibit P-1	Proposed Extension Order

Montreal, February 17, 2021



McCarthy Tétraud LLP
Lawyers for the Debtors

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