

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

THE HONOURABLE ) THURSDAY, THE 5th  
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 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., NAFPRO LLC (WISCONSIN LLC), NAFA  
EUROPE CO-OPERATIEF UA, NAFA EUROPE B.V., DAIKOKU SP.Z  
OO and NAFA POLSKA SP. Z OO

(the "Applicants")

**ORDER APPROVING ASSIGNMENT OF CONTRACT**

**THIS MOTION**, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an order, *inter alia*, approving the assignment of certain contracts (the "**Assignment**") to the Purchaser as contemplated by the Agreement of Purchase and Sale between NAFA Properties Inc. (the "**Vendor**"), as vendor, and Niche Bakers Properties Inc. (the "**Purchaser**"), as Purchaser, dated October 1, 2020 (the "**APS**") was heard by way of Zoom due to the COVID-19 pandemic.

**ON READING** the Affidavit of Doug Lawson, sworn October 30, 2020, the Affidavit of Jeffrey Wood sworn October 28, 2020, and the Exhibits thereto, the Fifth Report of Deloitte Restructuring Inc., in its capacity as monitor for the Applicants (in such capacity, “**Monitor**”) (the “**Fifth Report**”), to be filed, and on hearing the submissions of counsel for the Applicants, counsel to the Monitor, counsel to the Canadian Imperial Bank of Commerce, as agent (in such capacity, the “**Agent**”) for the lenders party to the Fourth and Restated Credit Agreement dated as of September 27, 2019 (as may be amended or amended and restated, the “**Credit Agreement**”) from time to time (the “**Lenders**”), counsel to the 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, including the City of Toronto, although properly served as appears on the Affidavit of Service of Ariyana Botejue, sworn November 3, 2020, filed:

### **SERVICE AND DEFINITIONS**

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and Motion Record herein 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 terms not otherwise defined in this Order shall have the meaning set out in the Initial Order of the Honourable Justice McEwen, dated October 31, 2019 (as amended and restated) (the “**Initial Order**”), the Approval and Vesting Order dated November 5, 2020, or in the APS, as applicable.

### **APPROVAL OF ASSIGNMENT OF CONTRACT**

3. **THIS COURT ORDERS** that immediately upon the delivery of the Monitor's certificate substantially in the form attached as Schedule A to the Approval and Vesting Order (the

"**Monitor's Certificate**") to the Applicants and the Purchaser, all of the rights and obligations of the Vendor under the City Ground Lease (as defined in the APS), including any and all options to purchase and rights of first refusal contained in the City Ground Lease, shall be assigned, conveyed and transferred to, and assumed by, the Purchaser pursuant to section 11.3 of the CCAA (the "**Assumed Contract**").

4. **THIS COURT ORDERS** that the assignment of the Assumed Contract is valid and binding upon all of the counterparties to the Assumed Contract, notwithstanding any restriction, condition, or prohibition, if any, contained in any such Assumed Contract relating to the assignment thereto including, but not limited to, provisions, if any, requiring the consent of any party to the assignment of the Assumed Contracts.

5. **THIS COURT ORDERS** that the Vendor's right, title and interest in and to the Assumed Contract shall vest absolutely in the Purchaser free and clear of all Encumbrances other than the Permitted Encumbrances in accordance with the provisions of the Approval and Vesting Order.

6. **THIS COURT ORDERS** that no counterparty to any Assumed Contract shall terminate an Assumed Contract as against the Purchaser as a result of the Vendor's insolvency or the Vendor's CCAA proceedings. In addition, no counterparty shall terminate an Assumed Contract as against the Purchaser as a result of the Vendor having breached a non-monetary obligation unless such non-monetary breach arises or continues after the Assumed Contract is assigned to the Purchaser, such non-monetary default is capable of being cured by the Purchaser and the Purchaser has failed to remedy the default after having received notice of such default pursuant to the terms of the applicable Assumed Contract. For clarification purposes, no counterparty shall rely on a notice of default sent to the Vendor to terminate the Assumed Contract as against the Purchaser.

7. **THIS COURT ORDERS** that all monetary defaults in relation to the Assumed Contract, if applicable, other than those arising by reason only of the Vendor's insolvency, the commencement of these CCAA proceedings or failure to perform a non-monetary obligation under any Assumed Contract, incurred or accrued on or before the Closing Date (as defined in the APS), shall be paid by the Vendor no later than twenty (20) Business Days following the delivery of the Monitor's Certificate.

8. **THIS COURT ORDERS AND DIRECTS** that the Monitor is hereby authorized and directed to take such actions as it deems necessary or appropriate in the circumstances to assist the Vendor in the assignment and transfer of the Assumed Contracts.

#### **GENERAL**

9. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative bodies, having jurisdiction in Canada or in the United States of America, to give effect to this Order and to assist the Applicants, the Monitor 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 Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective 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.

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**COMMERCIAL LIST**  
Proceeding commenced at Toronto

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