

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

THE HONOURABLE ) THURSDAY, THE 28<sup>TH</sup>  
 )  
MR. JUSTICE McEWEN ) DAY OF NOVEMBER, 2019  
 )



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”)

**APPROVAL AND VESTING ORDER**

THIS MOTION, made by the Applicants for an order approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale between NAFA Properties Inc., as vendor (the “**Vendor**”), and Lange Group of Companies Ltd., as purchaser (the “**Purchaser**”), dated April 18, 2019 (as amended by way of Amending Agreement dated May 27, 2019 and Amending Agreement effective as of November 12, 2019 and as may be further amended from time to time in accordance with the Order, the “**Sale Agreement**”), and vesting in the Purchaser the Vendor’s right, title and interest in and to the assets described in the Sale Agreement (the “**Purchased Assets**”), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Doug Lawson, sworn November 27, 2019 and the Exhibits thereto, the Second Report of Deloitte Restructuring Inc., in its capacity as monitor for the Applicants (in such capacity, "**Monitor**") (the "**Second Report**"), 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**"), 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 Jessica Wuthmann, sworn November 27, 2019, filed:

### **SERVICE**

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.

### **APPROVAL OF THE TRANSACTION**

2. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by the Vendor is hereby authorized and approved, with such minor amendments as the Vendor (with the consent of the Monitor) and the Purchaser or its proposed assignee, 2728148 Ontario Inc. ("**Assignee**") may agree to in writing. The Vendor is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser and/or the Assignee.

3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Monitor's certificate to the Purchaser and/or the Assignee substantially in the form attached as Schedule "A" hereto (the "**Monitor's Certificate**"), all of the Vendor's right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on Schedule "B" hereto shall vest absolutely in the Purchaser and/or its Assignee, or as the Purchaser may direct or assign, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise),

liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Amended and Restated Initial Order of the Honourable Mr. Justice McEwen dated October 31, 2019; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule “C” hereto (all of which are collectively referred to as the “**Encumbrances**”, which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule “D”) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the Land Titles Division of Toronto (No. 66) of an Application for Vesting Order in the manner prescribed by the *Land Titles Act* (Ontario) and/or the *Land Registration Reform Act*, the Land Registrar is hereby directed to enter the Purchaser and/or the Assignee, or as the Purchaser may direct or assign, as the owner of the subject real property identified in Schedule “B” hereto (the “**Real Property**”) in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule “C” hereto.

5. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Monitor’s Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

6. **THIS COURT ORDERS** that the Applicants are hereby authorized and directed to pay the Carlingview Surplus Proceeds (as described in the Second Report) from the Transaction to the Agent and/or the Lenders.

7. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of the Monitor’s Certificate, forthwith after delivery thereof.

8. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”) in respect of the Vendor and any bankruptcy order issued pursuant to any such applications;
- (c) any application for a receivership order or any assignment in bankruptcy made in respect of the Vendor, or
- (d) the provisions of any federal or provincial legislation;

the vesting of the Purchased Assets in the Purchaser and/or the Assignee and the repayment of the debt as set out in paragraph 6 of this Order shall be binding on any trustee in bankruptcy or receiver that may be appointed in respect of the Vendor and shall not be void or voidable by creditors of the Vendor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

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 the Applicants and their 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, and the Applicants as may be necessary or desirable to give effect to this Order or to assist the Monitor and the Applicants and their agents in carrying out the terms of this Order.

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

NOV 28 2019

PER / PAR:



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**Schedule "A" – Form of Monitor's Certificate**

Court File No. CV-19-00630241-00CL

**ONTARIO**

**SUPERIOR COURT OF JUSTICE**

**COMMERCIAL LIST**

IN THE MATTER OF THE *COMPANIES' CREDITORS  
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

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EUROPE CO-OPERATIEF UA, NAFA EUROPE B.V., DAIKOKU SP.Z  
OO and NAFA POLSKA SP. Z OO

(the "Applicants")

**MONITOR'S CERTIFICATE**

**RECITALS**

A. Pursuant to an Order of the Honourable Mr. Justice McEwen of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated October 31, 2019 (as amended and restated, and as may be further amended and restated from time to time, the "**Initial Order**"), Deloitte Restructuring Inc. was appointed as monitor of the Applicants (in such capacity, the "**Monitor**"), including NAFA Properties Inc. (the "**Vendor**").

B. Pursuant to an Order of the Court dated November 28, 2019 (the "**Sale Approval Order**"), the Court approved the agreement of purchase and sale made as of April 18, 2019 (as amended by way of Amending Agreement dated May 27, 2019 and Amending Agreement effective as of November 12, 2019 and as may be further amended from time to time in accordance with the Sale Approval Order, the "**Sale Agreement**") between the Vendor and

Lange Group of Companies Ltd. (the “**Purchaser**”) and provided for the vesting in the Purchaser and/or the Purchaser’s proposed assignee, 2728148 Ontario Inc. (the “**Assignee**”), of the Vendor’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchaser of a certificate (the “**Certificate**”) confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Vendor and the Purchaser and/or the Assignee and (iii) the Transaction has been completed to the satisfaction of the Monitor.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE MONITOR CERTIFIES the following:

1. The Purchaser has paid and the Monitor has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Vendor and the Purchaser; and
3. The transaction has been completed to the satisfaction of the Monitor.
4. This Certificate was delivered by the Monitor at \_\_\_\_\_ [TIME] on \_\_\_\_\_ [DATE].

**Deloitte Restructuring Inc., in its capacity as  
Monitor of the Applicants, and not in its  
personal capacity**

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

Name:

Title:

## **Schedule "B" – Purchased Assets**

### **Legal description of Real Property:**

PIN 07419-0005 (LT) being PT LT 27 CON 4 FRONTING THE NUMBER, PART 1, 64R12615; ETOBICOKE; SUBJECT TO A TEMPORARY EASEMENT IN GROSS OVER PART 8 ON PLAN 66R26479 AS IN AT3252103; CITY OF TORONTO

**Schedule "C" – Claims to be deleted and expunged from title to Real Property**

1. Instrument No. AT4600042 registered June 16, 2017, being a Charge/Mortgage in favour of Farm Credit Canada for the original principal amount of \$7,000,000.00.
2. Instrument No. AT5187666 registered July 17, 2019, being a Charge/Mortgage in favour of Canadian Imperial Bank of Commerce for the original principal amount of \$100,000,000.00.



**Schedule "D" – Permitted Encumbrances, Easements and Restrictive Covenants  
related to the Real Property**

**(Unaffected by the Vesting Order)**

1. Instrument No. EB125035 registered June 3, 1953, being a Certificate of The Toronto Malton Airport Zoning Regulations.
2. Instrument No. EB158733 registered September 23, 1955, being An Amendment relating to The Toronto Malton Airport Zoning Regulations.
3. Instrument No. EB216574 registered June 17, 1959, being a Notice of Amendment to The Toronto (Malton) Airport Zoning Regulations.
4. Instrument No. EB255931 registered March 13, 1962, being a Notice of an Amendment relating to the Toronto Airport Malton Zoning Regulations.
5. Instrument No. EB306568 registered October 22, 1965, being an Agreement re: Sewer Connection with The Corporation of the Township of Etobicoke.
6. Instrument No. EB412063 registered January 29, 1973, being a Notice of Airport Zoning Regulations.
7. Plan 64R-12615 deposited on December 15, 1989.
8. Instrument No. E317117 registered March 27, 2000, being a Notice of Pearson Airport Zoning Regulations.
9. Plan 66R-26479 deposited on November 14, 2012.
10. Instrument No. AT3193379 registered December 7, 2012, being a Certificate of Approval made by Metrolinx.
11. Instrument No. AT3252103 registered March 7, 2013, being a Transfer of Easement in favour of Metrolinx.

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

**ORDER**

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