

CANADA

PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

N°: 500-11-049256-155

SUPERIOR COURT
Commercial Division

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, R.S.C. c.
C-36)

IN THE MATTER OF THE PLAN OF
COMPROMISE AND ARRANGEMENT OF:

**MAGASIN LAURA (P.V.) INC. / LAURA'S
SHOPPE (P.V.) INC.**

Applicant

-and-

KPMG INC.

Monitor

-and-

**BOUTIQUE LAURA CANADA LTÉE / LAURA'S
SHOPPE CANADA LTD.**

-and-

3482731 CANADA INC.

-and-

9318-5494 QUÉBEC INC.

-and-

KALMAN FISHER

Stay Parties

-and-

THIRD EYE CAPITAL CORPORATION

-and-

**THE CADILLAC FAIRVIEW CORPORATION
LIMITED**

-and-

SALUS CAPITAL PARTNERS, LLC

-and-

THE REGISTRAR OF THE REGISTER OF
PERSONAL AND MOVABLE REAL RIGHTS

Mises-en-cause

ORDER FOR NEW FINANCING
(Sections 9, 11 and 11.2 of the *Companies' Creditors Arrangement Act*,
R.S.C. 1985, c. C-36)

THE COURT is seized with the "Application for an Order for New Financing" (the "**Application**") filed by Laura's Shoppe (P.V.) Inc. (the "**Applicant**");

SEEING the Initial Order issued by this Honourable Court on August 12, 2015, as amended (the "**Initial Order**"), pursuant to the *Companies' Creditors Arrangement Act* (the "**CCAA**");

CONSIDERING the allegations contained in the Application, the exhibits and the Affidavit in support thereof;

CONSIDERING the representations of counsel;

CONSIDERING Sections 9, 11 and 11.2 of the CCAA;

CONSIDERING that the Application was duly served to the service list and on all secured creditors who are likely to be affected by the security or charge resulting from the orders herein;

FOR THE FOREGOING REASONS, THE COURT:

- [1] **GRANTS** the Application;
- [2] **ABRIDGES** the delays to serve, file and present the Application;
- [3] **DECLARES** that the service of the Application constitutes good and sufficient service on all persons;

- [4] **DECLARES** that, unless otherwise indicated, capitalized terms found herein shall have the same meaning ascribed thereto in the Initial Order and the Application, as the context so requires;

Financing

- [5] **ORDERS** that each of:

- (i) the Applicant, as borrower; and
- (ii) Laura's Shoppe Canada Ltd., 3482731 Canada Inc. and 9318-5494 Quebec Inc. (collectively the "**Additional Parties**" and together with the Applicant, collectively the "**Applicant Parties**"),

be and is hereby authorized to enter into, execute and deliver (and ratifies each Applicant Parties' execution and delivery of) the Commitment Letter in or substantially in the form of the Commitment Letter produced under seal as Exhibit P-1 to the Application (the "**New Financing Agreement**") and such agreements, security documents and other definitive documents (collectively with the New Financing Agreement, the "**New Financing Documents**") as may be required by Third Eye Capital Corporation, acting as agent and hypothecary representative (in such capacity, the "**New Agent**") for and on behalf of certain affiliates and funds it manages (collectively, the "**New Lender**" and together with the New Agent, the "**New Financing Parties**") in connection with the New Loan Facility (as hereinafter defined) and the New Financing Documents, and that the Applicant Parties are hereby authorized to perform all of their obligations under the New Financing Documents;

- [6] **ORDERS** that the Applicant be and is hereby authorized to:

- (a) borrow, repay and reborrow from the New Lender such amounts from time to time as the Applicant may consider necessary or desirable, up to a maximum principal amount of \$31,000,000 outstanding at any time, on the terms and conditions as set forth in the New Financing Documents (the "**New Loan Facility**"), in order to fund the ongoing expenditures and restructuring costs of the Applicant, and to pay such other amounts as are permitted by the terms of this Order and the New Financing Documents;
- (b) utilize part of the New Loan Facility to pay to the Interim Lender the sums owing under the Interim Facility which amounts to \$9,800,000 plus accrued interest up to and including October 31, 2015 in the amount of \$99,879.45 (subject to adjustment for any days after October 31, 2015), an additional amount of \$175,000.00 (representing all other amounts owing to the Interim Lender, in general, and under the Interim Financing Documents, in particular) and professional fees owing to PWC and/or Gowling Lafleur Henderson LLP (to the extent such interest and professional fees are not

paid directly by the Applicant) as provided for under the Interim Financing Documents (the "**Interim Lender Payout**"). In consideration of payment of the Interim Lender Payout, there shall no longer be any amounts whatsoever owing to the Interim Lender and the Interim Lender Charge and all other Encumbrances held by or on behalf of the Interim Lender over the Charged Property shall be cancelled, radiated and discharged, all in accordance with the provisions of paragraph [14] below; and

- (c) subject to paragraph [14] below, utilize part of the New Loan Facility to pay to Salus the agreed upon payout amount of \$18,200,000 (the "**Salus Payout**") under the credit facilities provided by Salus to the Applicant.

[7] **ORDERS** that the Applicant Parties shall pay to the New Financing Parties, when due, all amounts owing or to become owing (including principal, interest, fees, closing fees, monitoring fees, prepayment amounts, charges and expenses, all reasonable fees and disbursements of counsel and all other reasonably required advisors to or agents of the New Financing Parties) under the New Financing Documents or any other document or agreement relating thereto or envisaged thereby (collectively the "**New Lender Indebtedness**") and shall perform all of its other obligations to the New Financing Parties pursuant to the New Financing Documents and this Order;

[8] **DECLARES** that, subject to and upon the Monitor's filing of the "Certificate" (hereinafter defined) with the Court:

- (i) the Property; and
- (ii) with the sole exception of the hereinafter defined "Pledged Securities", the Additional Parties' present and future assets, rights, undertakings and properties of every nature and kind whatsoever, and wherever situated, including all proceeds thereof (collectively the "**Additional Property**" and together with the Property, collectively the "**Charged Property**"),

is hereby charged with and subjected to a charge and security for an aggregate amount of \$41,000,000 as well as all of the hypothecs and security interests created or to be created pursuant to the New Financing Documents (collectively the "**New Lender Charge**") in favour of the New Agent, as hypothecary representative of and agent for the New Financing Parties, as security for the New Lender Indebtedness, which New Lender Charge shall have the priorities established by and become effective pursuant to this Order. Such New Lender Charge shall subsist without necessity of any publication, registration, recording, filing or perfection;

[9] **ORDERS** that the New Lender Indebtedness, the New Lender Charge and all claims of the New Financing Parties pursuant to the New Financing Documents shall not be compromised pursuant to these proceedings, any plan of

arrangement filed or already filed pursuant to the CCAA and any amendments thereto (a "**Plan**") or any proposal and any amendments thereto (a "**Proposal**") filed pursuant to the *Bankruptcy and Insolvency Act*, Canada (the "**BIA**") and the New Financing Parties, in that capacity, shall be treated as an unaffected creditor in these proceedings and in any Plan or Proposal;

[10] **ORDERS** that the New Financing Parties may:

- (a) notwithstanding any other provision of this Order, take such steps from time to time as it may deem necessary or appropriate to publish, register, record, file or perfect the New Lender Charge and the New Financing Documents in all jurisdictions where it deems it is appropriate;
- (b) in accordance with the New Financing Documents, take hypothecs on and security interests in the Property which shall have the same priority as the New Lender Charge. For greater certainty, all references herein to the New Lender Charge shall include all such hypothecs and security interests; and
- (c) notwithstanding the terms of the paragraphs to follow, refuse to make any advance to the Applicant if any of the Applicant Parties fails to comply with the terms, conditions and provisions of the New Financing Documents.

[11] **ORDERS** that, until the Monitor's discharge, the New Financing Parties shall not take any enforcement steps under the New Financing Documents or the New Lender Charge without providing at least 2 business days written notice (the "**Notice Period**") of a default thereunder to the Applicant, to the Monitor and to any creditors whose rights are registered or published at the appropriate registers or who have submitted a written request for such notice to the New Lender. Upon expiry of such Notice Period, the New Financing Parties shall be entitled to take any and all steps under the New Financing Documents and the New Lender Charge and otherwise permitted at law, but without having to send any notices under Section 244 of the *BIA*;

[12] **ORDERS** that, subject to further order of this Court, no further order shall be made in respect of this Order unless either:

- (a) notice of a motion for such order is served in advance on the New Agent by the moving party with a minimum 7 day delay; or
- (b) the New Financing Parties apply for or consent to such order.

Priorities and General Provisions Relating to the New Lender Charge

- [13] **ORDERS** and **DECLARES** that upon the occurrence of all of the following (the "**Financing Conditions**") by no later than 5:00 p.m. Montreal time on November 3, 2015 (or such other delay as may be agreed to in writing by the New Agent, the Interim Lender and Salus), namely:
- (a) the occurrence of the Interim Lender Payout;
 - (b) the occurrence of the Salus Payout;
 - (c) the occurrence of the surrender and delivery by the "Pledgor" of the "Pledged Securities" (both as hereinafter defined) and all of the Pledgor's rights therein to and in favour of Salus or any other person designated by Salus (the "**Pledged Securities Surrender**") or the consummation of any other arrangements which have the effect of limiting the Pledgor's liability and security in favour of Salus to the Pledged Securities; and
 - (d) the Monitor's signature and filing with the Court of a Monitor's Certificate in or substantially in the form appended as **Schedule "A"** hereto (the "**Certificate**"),

and no other conditions whatsoever, all of the items and matters set forth in paragraph [14] of this Order shall automatically occur and become and remain effective. The Monitor shall be entitled to sign and file the Certificate upon the Monitor's receipt of evidence that the Interim Lender Payout has been electronically transferred to the Interim Lender (and any other Persons entitled thereto) and that the Salus Payout has been electronically transferred to Salus;

- [14] **ORDERS** and **DECLARES** that, subject to and upon occurrence of all of the Financing Conditions within the delay set forth in paragraph [13] of this Order, all of the following shall automatically occur and shall become and remain effective, namely:
- (i) there shall no longer be any amounts whatsoever owing or to become owing (whether as principal, interest, fees, charges or otherwise) by the Applicant or any of the Stay Parties to the Interim Lender pursuant to the Interim Financing Documents;
 - (ii) the Interim Lender Charge and all other Encumbrances held by or on behalf of the Interim Lender over all of the Charged Property in relation to the Interim Facility shall be cancelled, radiated and discharged against the Charged Property without the necessity for any further action and all such Encumbrances existing in favour of the Interim Lender hypothecating or charging the Charged Property shall be deemed to be cancelled, radiated and discharged for all purposes;

- (iii) there shall no longer be any amounts whatsoever owing or to become owing (whether as principal, interest, fees, charges or otherwise) by the Applicant or any of the Stay Parties to Salus, other than an amount equal to the realization proceeds (or the value thereof in the event that Salus takes ownership thereof) of all marketable securities, cash and similar property (the "**Residual Salus Debt**") owned by 3482731 Canada Inc. (the "**Pledgor**") and held in the Pledgor's accounts with Dundee Goodman Private Wealth, Dundee Securities Ltd. or any other Person with which the "Pledged Securities" are held (collectively "**Dundee**") (collectively, together with all distributions therefrom, interest thereon and proceeds thereof, the "**Pledged Securities**") over which Salus currently holds a security interest;
- (iv) the Residual Salus Debt shall be deemed to have been absolutely, irrevocably and unconditionally assumed by the Pledgor as the primary obligor thereof;
- (v) Salus' sole recourse against the Applicant, the Pledgor or any of the other Stay Parties for the collection of the Residual Salus Debt shall be limited to Salus exercising all of its available rights, remedies and recourses against the Pledged Securities (including the right to take ownership thereof, to which Salus shall be entitled on written notice to Dundee) and not against the Charged Property. For greater certainty, upon Salus' receipt of the realization proceeds of the Pledged Securities, Salus shall have no claim whatsoever against the Applicant, the Pledgor or any of the other Stay Parties for the whole or any portion of the Salus Residual Debt;
- (vi) with respect only to the enforcement by Salus of its security interests in the Pledged Securities:
 - (a) the stay of proceedings created by the Initial Order in respect of the Pledgor and the Pledged Securities only shall be removed and lifted for the sole purpose of Salus' enforcement of its security interests in the Pledged Securities;
 - (b) any freeze or other impediment placed on any account in which the Pledged Securities are held shall be removed and lifted and Dundee shall take and act upon instructions with respect to the sale or disposition of or any other matter concerning the Pledged Securities solely from Salus or any Person authorized in writing by Salus;
 - (c) Salus shall be entitled to sell, convey and transfer the Pledged Securities or take ownership thereof and any notices under the *Personal Property Security Act*, Ontario shall not be required; and
 - (d) upon the sale or disposition of the Pledged Securities and Salus' receipt of the realization proceeds of the Pledged Securities, the

Residual Salus Debt shall be deemed released and discharged for all purposes.

- (vii) all Encumbrances held by or on behalf of Salus over, on and in the Charged Property shall be cancelled, radiated and discharged against the Charged Property without the necessity for any further action and all such Encumbrances existing in favour of Salus hypothecating or charging the Charged Property are hereby deemed to be cancelled, radiated and discharged for all purposes;
- (viii) the priorities of the KERP Charge, the New Lender Charge and the Administration Charge (collectively the "**CCAA Charges**"), as between them with respect to the Property, shall be as follows:
 - (a) first, the KERP Charge;
 - (b) second, the New Lender Charge;
 - (c) third, the Administration Charge.
- (ix) with the exception of the KERP Charge, the New Lender Charge shall rank in priority to any and all other Encumbrances affecting the Property charged by such Encumbrances;
- (x) the New Lender Charge shall rank in priority to any and all Encumbrances affecting the Additional Property charged by such Encumbrances;
- (xi) the New Lender Charge shall apply to all proceeds of sales deposited in bank accounts and credit card accounts in all banks in Canada where the Applicant (or any of the other Applicant Parties) has accounts and all blocked account agreements presently in force shall be subject to the priority of the New Lender Charge as herein set forth;
- (xii) except as otherwise expressly provided for herein, the Applicant Parties shall not grant any Encumbrances in or against the Charged Property that rank in priority to, or *pari passu* with, any of the CCAA Charges;
- (xiii) the New Lender Charge shall attach to all present and future Charged Property, notwithstanding any requirement for the consent of any party to any such charge or to comply with any condition precedent;
- (xiv) the New Lender Charge and the rights and remedies of the beneficiaries of such New Lender Charge, as applicable, shall be valid and enforceable and shall not otherwise be limited or impaired in any way by: (a) these proceedings and any Plan filed; (b) any petition for a receiving order filed pursuant to the *BIA* in respect of the Applicant or any of the Stay Parties or

any receiving order made pursuant to any such petition or any assignment in bankruptcy made or deemed to be made in respect of the Applicant or any of the Stay Parties; (c) any proceedings filed under the *BIA* in respect of the Applicant or any of the Stay Parties or any Proposal filed or a declaration of insolvency made thereunder; or (d) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any agreement, lease, sub-lease, offer to lease or other arrangement which binds the Applicant or any of the Stay Parties (a "**Third Party Agreement**"), and notwithstanding any provision to the contrary in any Third Party Agreement:

- (a) the creation of the New Lender Charge shall not create or be deemed to constitute a breach by the Applicant or any of the Stay Parties of any Third Party Agreement to which any such party is a party; and
 - (b) the New Financing Parties shall not have liability to any person whatsoever as a result of any breach of any Third Party Agreement caused by or resulting from the creation of the New Lender Charge;
- (xv) notwithstanding:
- (a) these proceedings and any Plan;
 - (b) any petition for a receiving order filed pursuant to the *BIA* in respect of the Applicant or any of the Stay Parties and any receiving order allowing such petition or any assignment in bankruptcy made or deemed to be made in respect of the Applicant or any of the Stay Parties;
 - (c) any proceedings filed under the *BIA* in respect of the Applicant or any of the Stay Parties or any Proposal filed or declaration of insolvency made thereunder; and
 - (d) the provisions of any federal or provincial statute,
- the payments or disposition of any of the Charged Property made by the Applicant or any of the Stay Parties pursuant to this Order and the granting of the New Lender Charge, do not and will not constitute settlements, fraudulent preferences, fraudulent conveyances or other challengeable or reviewable transactions or conduct meriting an oppression remedy under any applicable law;
- (xvi) the New Lender Charge shall be valid and enforceable as against the Charged Property and against any individual, natural person, firm, corporation, partnership, limited liability company, trust, joint venture,

association, organization, governmental body or agency, or any other entity, including, without limitation, any trustee in bankruptcy, receiver, receiver and manager, interim receiver or monitor of the Applicant and any Additional Party, for all purposes;

- (xvii) the Registrar of the Quebec Register of Personal and Movable Real Rights (the “**RDPRM Registrar**”), upon application by the New Agent, shall register in the Quebec Personal and Movable Real Rights Register (the “**RDPRM**”) the charges created by the present Order as against the Charged Property situated in Quebec, namely: all present and future movable property, corporeal and incorporeal, wherever situated;
- (xviii) the Registrars of the Personal Property Security registries for the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, and Newfoundland and Labrador (collectively, the “**PPSA Registrars**”), upon application by the New Agent, shall register in the said registries the charges created by the present Order as against the Charged Property that fall within the respective jurisdictions of the foregoing registries, namely: all present and future personal property, tangible and intangible, wherever situated;
- (xix) subject to Salus’ rights against the Pledged Securities, the RDPRM Registrar, upon presentation of the required form with a true copy of this Order and a copy of the Certificate, shall radiate and strike the following registrations from the RDPRM (although it may not be all of the Charged Property that is encumbered by such registrations), which registrations shall be totally and entirely radiated in respect of all of the Charged Property:

Deed	Registration Number	Date of Registration	Grantor(s)	Secured Party
Conventional Hypothec Without Delivery	15-0794652-0001	2015-08-18	Laura's Shoppe (P.V.) Inc.	The Cadillac Fairview Corporation
Conventional Hypothec Without Delivery	15-0794652-0002	2015-08-18	Laura's Shoppe Canada Ltd. 9318-5494 Quebec Inc. 3482731 Canada Inc.	The Cadillac Fairview Corporation
Conventional Hypothec Without Delivery	13-0296475-0001	2013-04-17	Laura's Shoppe (P.V.) Inc.	Salus Capital Partners, LLC

Deed	Registration Number	Date of Registration	Grantor(s)	Secured Party
Conventional Hypothec Without Delivery	13-0296475-0002	2013-04-17	Laura's Shoppe Canada Ltd.	Salus Capital Partners, LLC
Conventional Hypothec Without Delivery	13-0296475-0003	2013-04-17	7735235 Canada Inc.	Salus Capital Partners, LLC
Conventional Hypothec Without Delivery	13-0280666-0001	2013-04-11	Laura's Shoppe (P.V.) Inc. 7735235 Canada Inc. Laura's Shoppe Canada Ltd.	Salus Capital Partners, LLC

(xx) the PPSA Registrars, upon application by the New Agent, shall take all such steps as may be necessary to effect the discharge of all Encumbrances registered against the Charged Property by the Interim Lender or Salus, including filing such financing change statements in the Personal Property Security registries of the respective jurisdictions as may be necessary, from any registration filed against the Applicant and/or the Stay Parties in any such Personal Property Security registry and the New Agent (or its counsel) shall be authorized to take any further steps necessary to effect such discharge;

Cash Management

[15] **ORDERS and DECLARES** that, for the purposes hereof:

"BMO Account" means: a deposit account in the name of the Applicant held with Bank of Montreal, which account was subject to a blocked account agreement which was terminated by the Initial Order;

"Cash Management System" means: the daily transfer of all local deposit accounts of the Applicant's stores to the BMO Account along with all other blocked account agreements originally existing in favour of Salus, including without limitation, the blocked account agreement with respect to the Deposit Account, from which the Applicant has and/or will transfer funds from the BMO Account to the Deposit Account; and

“Deposit Account” means: the account in the name of the Applicant held with the Bank of Nova Scotia under account no. 630810208019, transit no. 63081.

[16] **ORDERS** and **DECLARES** that, subject to and upon occurrence of all of the Financing Conditions within the delay set forth in paragraph [13] of this Order, all of the following automatically occur and shall become and remain effective, namely:

- (i) the Cash Management System, now existing between the Applicant and the Interim Lender, shall remain in force and the New Agent shall replace the Interim Lender in all respects thereof;
- (ii) the New Agent shall, in accordance with the Cash Management System, have (to the exclusion of Salus, the Interim Lender and PWC) control over the proceeds from the Applicant’s stores deposited in the Applicant’s account with the Bank of Montreal, the Canadian Imperial Bank of Commerce, the Royal Bank of Canada, TD Bank, HSBC Bank Canada, Scotiabank, Laurentian Bank of Canada, Roynat Ltd., the Bank of Nova Scotia and any other bank in Canada, wherever situated, whether pursuant to agreements concluded between the Applicant and Salus, the Applicant and the Interim Lender, or otherwise;
- (iii) in accordance with the Cash Management System, the Applicant shall transfer funds from the BMO Account, in which all local deposit accounts of the Applicant’s stores are being transferred on a daily basis, to the Deposit Account and the New Agent will advance funding (other than the Interim Lender Payout and the Salus Payout) under the New Loan Facility when available to the Deposit Account;
- (iv) any blocked account agreements applicable to the Bank of Montreal Account referred to in paragraph (iii) hereof or any of the bank accounts referred to in paragraph (ii) hereof, including but not limited to any such agreements concluded in favor of Salus and/or the Interim Lender and in particular, any such agreements concluded in relation to the Deposit Account, shall remain terminated;
- (v) PWC shall no longer supervise, monitor or approve the Applicant’s receipts and disbursements, in general, and shall cease supervising the Cash Management System, in particular;
- (vi) subject only to the provisions of paragraph (viii) below, the Monitor shall no longer control the receipts and disbursements of the Applicant, including, without limitation, the Cash Management System and neither the Applicant nor the New Agent shall be required to obtain the Monitor’s approval for

any payments that may be made by the Applicant, in particular, or for any matter regarding receipts and disbursements, in general;

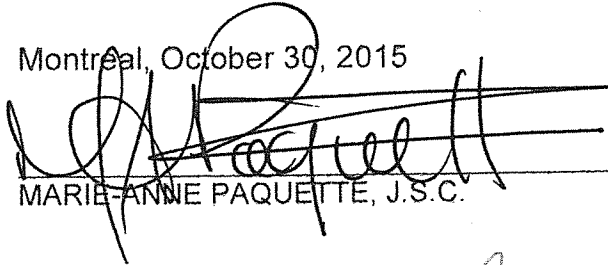
- (vii) subject only to the provisions of paragraph (viii) below, the New Agent will control all receipts and disbursements of the Applicant, including, without limitation, the Cash Management System;
- (viii) notwithstanding the contents of paragraph (vi) above, the Monitor and the Monitor's Counsel (Fishman Flanz Meland Paquin LLP) shall continue to control and operate all mechanisms (and any resulting control of receipts and disbursements specifically required therefor) in order to ensure payment of orders of suppliers of the Applicant where the Monitor and/or its counsel have at any time prior thereto entered into agreements or given the Monitor's approval in respect of the procurement of goods pursuant to the provisions of the *Order in Respect of Supplier Agreements* issued by this Court on September 11, 2015; and
- (ix) (a) all credit card arrangements concluded in connection with the processing of credit cards, between Salus, the Applicant (as the case may be) and Moneris Solutions Corporation, American Express, and any other credit card provider, shall remain in force; (b) the New Agent shall replace the Interim Lender and Salus in all respects thereof; and (c) if needed, such arrangements can be amended, replaced, terminated and/or otherwise modified by agreements between any such credit card providers, the Applicant (as the case may be) and the New Lender, subject to further order of this Court.

General Provisions

- [17] **ORDERS** and **DECLARES** that, subject to the provisions of this Order, all powers of the Monitor provided for under law or pursuant to the Initial Order shall remain unchanged and that, in the event of any inconsistencies between this Order and the Initial Order, the provisions of this Order shall prevail notwithstanding any provisions of the Initial Order;
- [18] **ORDERS** the sealing of Exhibit P-1 to the Application until further order of this Court;
- [19] **DECLARES** that this Order and all other orders in these proceedings shall have full force and effect in all provinces and territories in Canada;
- [20] **REQUESTS** the aid and recognition of any Court or administrative body in any Province of Canada and any Canadian federal court or administrative body and any federal or state court or administrative body in the United States of America and any court or administrative body elsewhere, to act in aid of and to be complementary to this Court in carrying out the terms of the Order;

- [21] **ORDERS** the provisional execution of this Order notwithstanding any appeal;
- [22] **THE WHOLE** without costs.

Montreal, October 30, 2015


MARIE-ANNE PAQUETTE, J.S.C.

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Handwritten notes:
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30 oct. 2015

**“SCHEDULE A”
TO ORDER FOR NEW FINANCING**

CANADA

PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

N°: 500-11-049256-155

**SUPERIOR COURT
Commercial Division**

(Sitting as a court designated pursuant to the *Companies’
Creditors Arrangement Act*, R.S.C. c. C-36)

IN THE MATTER OF THE PLAN OF COMPROMISE AND
ARRANGEMENT OF:

**MAGASIN LAURA (P.V.) INC. / LAURA’S SHOPPE (P.V.)
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Applicant

-and-

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**BOUTIQUE LAURA CANADA LTÉE / LAURA’S SHOPPE
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Stay Parties

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THIRD EYE CAPITAL CORPORATION

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THE CADILLAC FAIRVIEW CORPORATION LIMITED

-and-

SALUS CAPITAL PARTNERS, LLC

-and-

**THE REGISTRAR OF THE REGISTER OF PERSONAL
AND MOVABLE REAL RIGHTS**

Mises-en-cause

MONITOR'S CERTIFICATE

RECITALS:

WHEREAS on August 12, 2015, the Superior Court of Quebec (the "**Court**") issued an initial order (the "**Initial Order**") pursuant to the *Companies' Creditors Arrangement Act* in respect of Laura's Shoppe (P.V.) Inc. (the "**Applicant**");

WHEREAS pursuant to the terms of the Initial Order, KPMG Inc. (the "**Monitor**") was named Monitor of the Applicant;

WHEREAS on October 30, 2015, the Court issued an Order For New Financing (the "**Order**") thereby, *inter alia*, authorizing and approving the execution by the Applicant of a commitment letter and all documents and agreements related thereto by and between, *inter alia*, the Applicant as borrower and Third Eye Capital Corporation as Lender, a copy of which was filed in the Court record under seal. A copy of the Order is appended hereto so as to form part hereof;

WHEREAS capitalized terms found herein shall have the same meaning ascribed thereto in the Order; and

WHEREAS the Order provides that, upon occurrence of the Financing Conditions by no later than 5 o'clock P.M. Montreal time on November 3rd, 2015, all of the matters set forth in Paragraphs [14] and [16] of the Order will automatically occur and become and remain effective.

THE MONITOR HAS DETERMINED that each of the Interim Lender Payout, the Salus Payout and the Pledged Securities Surrender has occurred, and the Monitor hereby signs and will file the present "Monitor's Certificate" with the Court, as constituting the Certificate confirming that the Financing Conditions have occurred within the delay set forth in the Order.

This Certificate is issued by the Monitor at _____:_____ on _____, **2015**.

KPMG Inc., in its capacity as Monitor, and not in its personal capacity.

Name: _____

Title: _____