

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.

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)

THURSDAY, THE 31ST

JUSTICE OSBORNE

DAY OF JULY, 2025

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
HUDSON'S BAY COMPANY ULC COMPAGNIE DE LA BAIE D'HUDSON SRI,
HBC CANADA PARENT HOLDINGS INC., HBC CANADA PARENT HOLDINGS 2 INC.,
HBC BAY HOLDINGS I INC., HBC BAY HOLDINGS II ULC, THE BAY HOLDINGS ULC,
HBC CENTERPOINT GP INC., HBC HOLDINGS GP INC., SNOSPMIS LIMITED,
2472596 ONTARIO INC., and 2472598 ONTARIO INC.

Applicants

APPROVAL AND VESTING ORDER
(YM LEASE ASSIGNMENTS)

THIS MOTION, made by Hudson's Bay Company ULC Compagnie De La Baie D'Hudson SRI ("**Hudson's Bay**"), HBC Canada Parent Holdings Inc., HBC Canada Parent Holdings 2 Inc., HBC Bay Holdings I Inc., HBC Bay Holdings II ULC, The Bay Holdings ULC, HBC Centerpoint GP Inc., HBC Holdings GP Inc., Snospmis Limited, 2472596 Ontario Inc., and 2472598 Ontario Inc. (collectively, the "**Applicants**") pursuant to the *Companies' Creditors Arrangement Act* for an order, among other things: (a) approving the Assignment and Assumption of Leases dated as of May 28, 2025, between Hudson's Bay, as assignor, and YM Inc. (Sales) ("**YM**") as assignee (as amended from time to time, the "**YM Lease Assignment Agreement**"); (b) approving the transactions contemplated by the YM Lease Assignment Agreement (the "**Transactions**"); and (c) vesting Hudson's Bay's right, title, and interest in and to the leases set out in Schedule "A" (collectively, the "**YM Leases**") and the other purchased assets and rights described in the YM Lease Assignment Agreement, in and to YM, free and clear of all claims and encumbrances, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion of the Applicants dated July 25, 2025, the Affidavit of Franco Perugini sworn July 25, 2025, and the Exhibits thereto, the Seventh Report of Alvarez &

Marsal Canada Inc., in its capacity as the Court-appointed monitor of the Applicants (in such capacity, the "**Monitor**") dated July 29, 2025 (the "**Seventh Report**"), and on hearing the submissions of counsel for the Applicants, YM, the Monitor, and such other counsel as were present, no one else appearing and making submissions for any other person on the service list, although properly served as appears from the affidavit of Brittney Ketwaroo sworn July 28, 2025, as 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, unless otherwise indicated or defined herein, capitalized terms used in this Order shall have the meanings given to them in the YM Lease Assignment Agreement or the Amended and Restated Initial Order dated March 21, 2025, as applicable.

APPROVAL OF YM LEASE ASSIGNMENT AGREEMENT

3. **THIS COURT ORDERS** that the YM Lease Assignment Agreement is approved, and the execution and delivery of the YM Lease Assignment Agreement by Hudson's Bay is ratified and approved, and the Transactions are approved. Hudson's Bay is authorized to make such minor amendments to the YM Lease Assignment Agreement as Hudson's Bay determines are necessary or appropriate, with the consent of the Monitor and the parties to the YM Lease Assignment Agreement. Hudson's Bay is authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transactions and for the conveyance of the Assigned Interest to YM pursuant to the YM Lease Assignment Agreement, and Hudson's Bay and the Monitor shall be authorized to take such additional steps in furtherance of its responsibilities under the YM Lease Assignment Agreement as Hudson's Bay and the Monitor considers necessary or desirable.

4. **THIS COURT ORDERS** that upon delivery of a Monitor's Certificate to Hudson's Bay and YM, substantially in the form attached as Schedule "B" hereto (the "**Monitor's Certificate**"):

- (a) all of Hudson's Bay's right, title and interest in and to the Assigned Interest described in the YM Lease Assignment Agreement shall vest absolutely in and to YM 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 Initial Order or any other Order of this Court in these CCAA proceedings; and
- (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,

(all of which, as set out in the foregoing paragraphs 4(a)(i) and 4(a)(ii), are collectively referred to as the "**Encumbrances**"), provided that except as set forth in paragraph 4(b) or as may be otherwise agreed to by YM and the applicable Landlord with respect to a YM Lease, nothing herein shall affect the rights and remedies of such Landlord against YM that may arise under or in respect of a YM Lease. For greater certainty, this Court orders that all Encumbrances affecting or relating to the applicable Assigned Interest shall be hereby expunged and discharged as against such Assigned Interest; and

- (b) the Landlords under the applicable YM Leases shall be prohibited from exercising any rights or remedies under such YM Leases, and shall be forever barred, enjoined and estopped from taking such action by reason solely of:
 - (i) any defaults arising from the insolvency of Hudson's Bay Canada or any of their affiliates;
 - (ii) the commencement of these CCAA Proceedings;
 - (iii) any defaults and/or recapture rights which arise solely as a result of the assignment of the YM Leases to YM; or
 - (iv) Hudson's Bay or any of its affiliates having breached a non-monetary obligation under the YM Leases, unless, (A) the applicable Landlord under a YM Lease and YM have agreed otherwise; or (B) (1) such nonmonetary breach under the YM Lease arises or continues after such

YM Lease is assigned to YM; (2) such non-monetary breach is capable of being cured by the YM; and (3) YM has failed to remedy the default after having received notice of such default pursuant to the terms of the applicable YM Lease. Without limiting the foregoing, no Landlord under a YM Lease shall rely on a notice of default sent prior to the filing of the applicable Monitor's Certificate to terminate a YM Lease as against YM.

5. **THIS COURT ORDERS** that for purposes of determining the nature and priority of Claims, the net proceeds, net of fees payable to Oberfeld pursuant to the Consulting Services Agreement dated as of March 20, 2025, entered into between Hudson's Bay and Oberfeld, from the sale of the Assigned Interest shall stand in the place and stead of such Assigned Interest, and that from and after the delivery of the applicable Monitor's Certificate, all Claims and Encumbrances shall attach to the net proceeds from the sale of such Assigned Interest with the same priority as they had with respect to such Assigned Interest immediately prior to the sale, as if such Assigned Interest 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 upon delivery of the Monitor's Certificate, the terms of the YM Lease Assignment Agreement shall be in full force and effect and each of the parties thereto may rely on the provisions set out therein, and notwithstanding anything contained in this Order, nothing shall derogate from the rights and obligations of the parties as set out in the YM Lease Assignment Agreement.

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

VALIDITY OF THE TRANSACTION

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

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order or a receivership order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) ("**BIA**") in respect of any of the Applicants and any bankruptcy order or receivership order issued pursuant to any such applications;
- (c) any assignment in bankruptcy made in respect of any of the Applicants; and

(d) any provision of federal or provincial legislation,

the vesting of the Assigned Interest in YM pursuant to this Order shall be binding on any trustee in bankruptcy or receiver that may be appointed in respect of any of the Applicants and shall not be void or voidable by creditors of any of the Applicants, 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.

CURE COSTS

9. **THIS COURT ORDERS** that all Cure Costs payable in accordance with the YM Lease Assignment Agreement have been paid or otherwise resolved by or on behalf of Hudson's Bay to the applicable Landlord prior to the Closing Date.

SEALING PROVISION

10. **THIS COURT ORDERS** that Confidential Appendix "A" to the Seventh Report is hereby sealed pending closing of the Transactions and shall not form part of the public record.

GENERAL

11. **THIS COURT ORDERS AND DECLARES** that this Order shall have full force and effect in all provinces and territories in Canada.

12. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or elsewhere to give effect to this Order and to assist the Monitor, the Applicants and YM and any of 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, the Applicants and YM as may be necessary or desirable to give effect to this Order or to assist in carrying out the terms of this Order.

13. **THIS COURT ORDERS** that this Order and all its provisions are effective as of 12:01 a.m. (Toronto time) on the date of this Order without any need for filing or entry.

SCHEDULE "A"

LEASES

Premises	Landlord	Lease Documents
Toronto Premium Outlets - Saks Off 5th - 13850 Steeles Ave, Halton Hills, ON	Halton Hills Shopping Centre Partnership	(a) Original Lease dated Jan 22, 2013; (b) Non-Disturbance and Attornment Agreement dated Jan 22, 2013; (c) Acknowledgement, Attornment and Consent Agreement dated July 12, 2013; (d) First Amendment to Lease dated Oct 26, 2015; (e) Second Amendment to Lease dated Dec 15, 2016; (f) Omnibus Agreement dated March 2, 2021; (g) Lease Renewal Notice dated April 6, 2023; (h) Letter Agreement dated Dec 13, 2024.
CrossIron Mills - Saks Off 5th - 261055 Crossiron Blvd, Rocky View, AB	Crossiron Mills Holdings Inc.	(a) Original Lease dated July 22, 2015; (b) Letter Amending Agreement dated April 27, 2015; (c) Rent Commencement Date Memorandum dated Oct 18, 2016 ; (d) Omnibus Agreement dated Dec 29, 2020; (e) Guarantee dated Dec 29, 2020; (f) Option Lease dated Feb 1, 2024; (g) Letter Agreement dated Feb 1, 2024.
Vaughan Mills - Saks Off 5th - 1 Bass Pro Mills Dr, Vaughan, ON	Ivanhoe Cambridge II & Tre2 Non-Us-Bigfoot Corp.	(a) Original Lease dated Feb 23, 2009; (b) Lease Amending Agreement dated Oct 31, 2014; (c) Omnibus Agreement dated Dec 29, 2020; (d) Guarantee Agreement dated Dec 29, 2020; (e) Option Lease dated Feb 1, 2024; (f) Letter Agreement dated Feb 1, 2024.
Outlet Collection Winnipeg - Saks Off 5th - 555 Sterling Lyon Pkwy, Winnipeg, MB	The Outlet Collection At Winnipeg & Seasons Retail	(a) Original Lease dated Nov 11, 2015; (b) Side Letter Agreement dated Nov 11, 2015; (c) Omnibus Amending Agreement dated Dec 29, 2020; (d) Guarantee Agreement dated Dec 29, 2020; (e) Option Lease dated Feb 1, 2024; (f) Letter Agreement dated Feb 1, 2024.
Tanger Outlet - Saks Off 5 th , 8555 Campeau Drive, Kanata, ON	RioCan Holdings (TJV) Inc. & 1633272 Alberta ULC.	a) Original Lease dated December 23, 2014; b) Letter Agreement dated September 7, 2016; c) Omnibus Lease Amending Agreement dated February 9, 2021; d) Lease Amending Agreement dated October 2, 2024.

**SCHEDULE “B”
FORM OF MONITOR’S CERTIFICATE**

Court File No. CV-25-00738613-00CL

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Applicants

MONITOR’S CERTIFICATE

RECITALS

A. All undefined terms in this Monitor’s Certificate have the meanings ascribed to them in the approval and vesting order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated July 31, 2025 (the “**Approval and Vesting Order**”).

B. Pursuant to the Approval and Vesting Order, the Court approved the YM Lease Assignment Agreement and provided for the vesting in YM of Hudson’s Bay’s right, title, and interest in and to the Assigned Interest described in the YM Lease Assignment Agreement, which vesting is to be effective upon the delivery by the Monitor to YM and Hudson’s Bay of a certificate confirming (a) the conditions to closing as set out in the YM Lease Assignment Agreement have been satisfied or waived; and (b) the Transactions have been completed to the satisfaction of the Monitor.

THE MONITOR CERTIFIES the following:

1. YM has paid, and the Monitor has received the Consideration (as defined in the YM Lease Assignment Agreement) payable pursuant to the YM Lease Assignment Agreement.

2. The Monitor has received written notice from Hudson's Bay and YM that the conditions to closing set out in the YM Lease Assignment Agreement with respect to [●] have been satisfied or waived by Hudson's Bay and YM, as applicable.

3. The Transactions have been completed to the satisfaction of the Monitor.

This Monitor's Certificate was delivered by the Monitor at ____ [TIME] on ____ [DATE]

**Alvarez & Marsal Canada Inc., in its capacity
as Monitor of the Applicants and not in its
personal capacity**

Per: _____

Name:

Title:

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

APPROVAL AND VESTING ORDER
(YM LEASE ASSIGNMENTS)

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