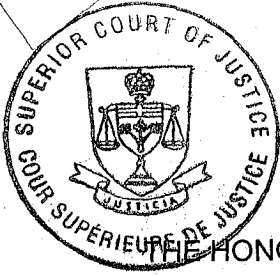


**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**



HONOURABLE MR.
JUSTICE HAINEY

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FRIDAY, THE 15TH
DAY OF JUNE, 2018

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 SEARS CANADA INC., 9370-2751
QUÉBEC INC., 191020 CANADA INC., THE CUT INC., SEARS
CONTACT SERVICES INC., INITIUM LOGISTICS SERVICES
INC., INITIUM COMMERCE LABS INC., INITIUM TRADING AND
SOURCING CORP., SEARS FLOOR COVERING CENTRES
INC., 173470 CANADA INC., 2497089 ONTARIO INC., 6988741
CANADA INC., 10011711 CANADA INC., 1592580 ONTARIO
LIMITED, 955041 ALBERTA LTD., 4201531 CANADA INC.,
168886 CANADA INC., AND 3339611 CANADA INC.

(each, an "Applicant", and collectively, the "Applicants")

**ORDER
(Construction Lien Claims)**

THIS MOTION made by FTI Consulting Canada Inc., in its capacity as court-appointed Monitor (the "Monitor"), for an Order with respect to Claims of certain Construction Contractors and certain reserve amounts described as the Construction Lien Claims Reserves and the Affiliated Properties Reserves, as described in the Twentieth Report of the Monitor, dated June 12, 2018, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Twentieth Report of the Monitor, dated June 12, 2018, (the "Twentieth Report"), and on hearing the submissions of counsel for the Applicants, the Monitor, and those other counsel present, no one else appearing although duly served as appears from the affidavit of service of Evan Cobb sworn June 14, 2018,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

DEFINED TERMS

2. THIS COURT ORDERS that all capitalized terms used herein and not defined have the meanings ascribed to them in the Twentieth Report.

CLAIMS OF CONSTRUCTION CONTRACTORS

3. THIS COURT ORDERS that the Allowed Secured Construction Lien Claims and the Allowed Unsecured Construction Claims (collectively, the "**Allowed Construction Claims**") are hereby confirmed, in accordance with the terms of the Claims Procedure Order, to be accepted Claims pursuant to the Claims Procedure Order.

4. THIS COURT ORDERS that the Monitor's determination of the quantum of the Remaining Owned Properties Claims of the Identified Contractors and the Connected Sub-Contractors (in their capacities as Connected Sub-Contractors) as set out in the Twentieth Report and the Monitor's determination that the Identified Contractors and the Connected Sub-Contractors (in their capacities as Connected Sub-Contractors) have no Post-Filing Claims in respect of their Applicable Properties are hereby confirmed in accordance with the terms of the Claims Procedure Order.

5. THIS COURT ORDERS that, in addition to the claims set out in the Twentieth Report, Hanson + Jung Architects Inc. ("**H&J**") shall have an Allowed Secured Construction Lien Claim and an Allowed Unsecured Construction Claim in each case in connection with the former Sears Canada location at Promenade Mall in the amounts of \$24,866.66 and \$18,294.13, respectively. All provisions of this Order shall apply to H&J, as an Identified Contractor and to its Connected Sub-Contractors (in their capacities as Connected Sub-Contractors) in respect of the Promenade Mall location and the Promenade Mall location shall be deemed to be an Applicable Property.

6. THIS COURT ORDERS that the Identified Contractors and all Connected Sub-Contractors (in their capacities as Connected Sub-Contractors) are deemed to have accepted

and agreed (i) to the determination of the value and, if applicable, characterization of the Claims described in paragraphs 3, 4 and 5 above; (ii) that they have no Post-Filing Claims in respect of their Applicable Properties; and (iii) excluding those Allowed Unsecured Construction Claims described in paragraph 3 and 5 above, that they have no other Allowed Unsecured Construction Claims in respect of any of their Applicable Properties, in each case in accordance with the Claims Procedure Order.

PAYMENT OF ALLOWED SECURED CONSTRUCTION LIEN CLAIMS

7. THIS COURT ORDERS that the Monitor is hereby directed to make payments from the Construction Lien Claims Reserve and the Affiliated Properties Reserves (or otherwise from Sears Canada's funds on account of amounts paid into Court in connection with vacating the liens registered against the Affiliated Leased Properties) in the amounts and to the Identified Contractors set out on Schedule "A" hereto in full satisfaction of the Allowed Secured Construction Lien Claims.

8. THIS COURT ORDERS that the Identified Contractors shall have sole responsibility to distribute the payments made pursuant to paragraph 7 above to the Connected Sub-Contractors in connection with the improvement for which such payment is made and the Sears Canada Entities shall have no liability to the Connected Sub-Contractors in connection with any Allowed Secured Construction Lien Claims after payment of the amounts paid pursuant to paragraph 7 are made.

9. THIS COURT ORDERS that the Monitor shall have no liability with respect to or as a result of performing its duties under this Order, including the payment of the amounts set out in paragraph 7 above except to the extent such liabilities result from the gross negligence or wilful misconduct of the Monitor as determined by this Court.

RELEASE OF CLAIMS

10. THIS COURT ORDERS that any Claims (as defined in the Claims Procedure Order), which for greater certainty includes D&O Claims (as defined in the Claims Procedure Order), and any claims against the Sears Canada Entities' current or former employees, in each case by the Identified Contractors and the Connected Sub-Contractors (in their capacities as Connected Sub-Contractors) arising in respect of any of their Applicable Properties, other than: (i) the Allowed Construction Claims; and (ii) the Remaining Owned Properties Claims, are hereby extinguished and the Identified Contractors and the Connected Sub-Contractors (in their

capacities as Connected Sub-Contractors) are hereby barred, estopped and enjoined from asserting or enforcing any such Claims.

11. THIS COURT ORDERS AND DIRECTS that each Identified Contractor and Connected Sub-Contractor will execute consents to an order or orders in respect of their Applicable Properties, as follows, other than in connection with the Remaining Owned Properties Claims:

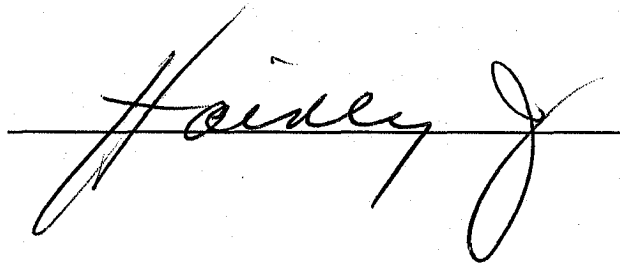
- a) discharging all liens securing the Identified Contractor's or the Connected Sub-Contractor's Construction Claims, whether such liens were preserved through registration or delivery;
- b) for any liens securing the Identified Contractor's or the Connected Sub-Contractor's Construction Claims preserved through registration, vacating the registration of the claim(s) for lien and certificate(s) of action (if any), by which such liens were preserved and perfected;
- c) for any liens securing the Identified Contractor's or the Connected Sub-Contractor's Construction Claims preserved through delivery, vacating the claims for lien that have been delivered;
- d) dismissing without costs the actions through which the liens securing the Identified Contractor's or the Connected Sub-Contractor's Construction Claims are being pursued; and
- e) where security has been posted pursuant to section 44(1) of the *Construction Lien Act* or equivalent legislation in other jurisdictions, delivering up out of court of the funds or other instrument so posted.

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

JUN 15 2018

PER / PAR:

MB

A handwritten signature in black ink, appearing to read "Haisley J.", written over a horizontal line.

SCHEDULE "A"

Abbarch Architecture Inc.	Fairview Mall, Toronto, ON	\$105,960.05
Petroff Partnership Architects	Fairview Park Mall, Kitchener, ON	\$130,637.74
152610 Canada Inc. cob Laurin & Company	Limeridge Mall, Hamilton, ON	\$1,059,648.80
Hanson + Jung Architects Inc.	Limeridge Mall, Hamilton, ON	\$60,207.77
APM Construction Services Inc.	Mapleview Centre, Burlington, ON	\$100,339.47
Hanson + Jung Architects Inc.	Mapleview Centre, Burlington, ON	\$14,786.71
Hanson + Jung Architects Inc.	Oakville Place, Oakville, ON	\$127,032.84
APM Construction Services Inc.	Oshawa Centre, Oshawa, ON	\$134,295.54
152610 Canada Inc. cob Laurin & Company	Scarborough Town Centre, Toronto, ON	\$842,667.78
Abbarch Architecture Inc.	Scarborough Town Centre, Toronto, ON	\$99,359.94
Hanson + Jung Architects Inc.	Promenade Mall, Vaughan, Ontario	\$24,866.66
		\$2,699,803.30

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 SEARS CANADA INC., et al.

Court File No: CV-17-11846-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

ORDER (CONSTRUCTION LIEN CLAIMS)

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Lawyers for FTI Consulting Canada Inc., in its capacity as Monitor