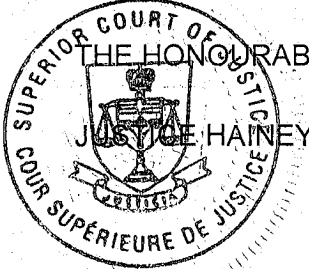


**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**



THE HONOURABLE MR.)
JUSTICE HAINEY)
)

WEDNESDAY, THE 4TH
DAY OF JULY, 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
(Settled 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 Settled Construction 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 First Supplement to the Twentieth Report of the Monitor, dated June 29, 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"), the First Supplement to the Twentieth Report dated June 29, 2018 (the

"**First Supplement**"), 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 Catherine Ma sworn June 29, 2018,

SERVICE

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.

DEFINED TERMS

2. THIS COURT ORDERS that all capitalized terms used herein and not defined have the meanings ascribed to them in the First Supplement, or where not so defined, the Twentieth Report.

CLAIMS OF CONSTRUCTION CONTRACTORS

3. THIS COURT ORDERS that the Settled Secured Construction Lien Claims and the Settled Post-Filing Claim (collectively, the "**Settled 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 settled quantum of the Remaining Owned Properties Claims of the Settled Contractors and the Connected Sub-Contractors (in their capacities as Connected Sub-Contractors) as set out in the First Supplement is hereby confirmed in accordance with the terms of the Claims Procedure Order.

5. THIS COURT ORDERS that 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 and 4 above; and (ii) that, excluding the Claims described in paragraphs 3 and 4 above, they have no Claims in respect of their Settled Properties, in each case in accordance with the Claims Procedure Order.

PAYMENT OF SETTLED CONSTRUCTION CLAIMS

6. 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 Settled Contractors set out on Schedule "A" hereto in full satisfaction of the Settled Construction Claims.

7. THIS COURT ORDERS that the Settled Contractors shall have sole responsibility to distribute the payments made pursuant to paragraph 6 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 Settled Construction Claims after payment of the amounts paid pursuant to paragraph 6 are made.

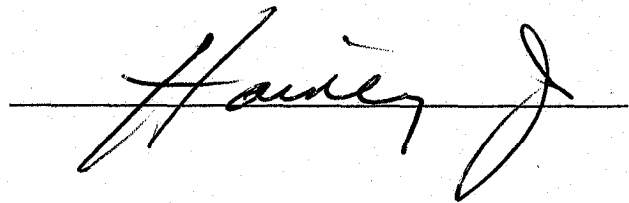
8. THIS COURT ORDERS that the Monitor shall have no liability with respect to or as a result of performing its duties under this Order, including the payment of the amounts set out in paragraph 6 above except to the extent such liabilities result from the gross negligence or wilful misconduct of the Monitor as determined by this Court.

RELEASE OF CLAIMS

9. 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 Settled Contractors and the Connected Sub-Contractors (in their capacities as Connected Sub-Contractors) arising in respect of any of their Settled Properties, other than: (i) the Settled Construction Claims; and (ii) the Remaining Owned Properties Claims, are hereby extinguished and the Settled 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.


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

- a) discharging all liens securing the Settled 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 Settled 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 Settled 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 Settled 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 A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

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PER / PAR: 

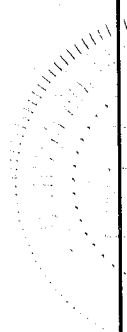
SCHEDULE "A"

Identified Contractor	Store Name and Location	Amount to be Paid
Kone Inc.	Limeridge Mall, Hamilton ON	\$9,086.51
Kone Inc.	Scarborough Town Centre, Toronto ON	\$13,838.11
Kone Inc.	Fairview Park Mall, Kitchener ON	\$7,577.89
Kone Inc.	Oakville Place, Oakville ON	\$20,578.80
Kone Inc.	Fairview Mall, Toronto ON	\$10,245.44
Kone Inc.	Mapleview Centre, Burlington ON	\$6,572.53
Kone Inc.	Oshawa Centre, Oshawa ON	\$52,105.18
Kone Inc.	Eaton Centre, Toronto ON	\$23,732.20
Kone Inc.	Polo Park, Winnipeg MB	\$33,379.91
Kone Inc.	Southgate Mall, Edmonton AB	\$14,645.09
Kone Inc.	Brentwood Mall, Burnaby BC	\$10,875.08
Rossclair Contractors Inc.	Oakville Place, Oakville ON	\$988,728.78

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 (SETTLED CONSTRUCTION LIEN CLAIMS)

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