

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

THE HONOURABLE ) THURSDAY, THE 21ST  
REGIONAL SENIOR JUSTICE MORAWETZ ) DAY OF FEBRUARY, 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 PAYLESS  
SHOESOURCE CANADA INC. AND PAYLESS SHOESOURCE CANADA GP INC.

(the "Applicants")

**LIQUIDATION CONSULTING AGREEMENT APPROVAL ORDER**

**THIS MOTION**, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") for an order, among other things, approving the consulting agreement entered into between, on the one hand, Payless Holdings, LLC and Payless ShoeSource Canada LP, and on the other hand, Great American Group, LLC and Tiger Capital Group, LLC (collectively with their respective Canadian affiliate assignees, the "Consultant") dated as of February 12, 2019 (the "Consulting Agreement") and other related relief was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the affidavit of Stephen Marotta sworn February 18, 2019 and the Exhibits thereto, and the pre-filing report of FTI Consulting Canada Inc. in its capacity as proposed monitor dated February 19, 2019 (the "Pre-Filing Report") and the First Report of FTI Consulting Canada Inc. in its capacity as monitor dated February 20, 2019 and on hearing the submissions of counsel for the Applicants and Payless ShoeSource Canada LP (each a "Payless Canada Entity" and

*(counsel for the Consultant, counsel to the ad hoc group of lenders under the Term Loan Credit Facility (as defined in the Marotta Affidavit))*

collectively, the "Payless Canada Entities"), FTI Consulting Canada Inc. in its capacity as court-appointed monitor (the "Monitor"), Wells Fargo Bank, National Association (the "ABL Agent"), Cortland Products Corp. (the "Term Loan Agent"), the Consultant, counsel for The Cadillac Fairview Corporation Limited, ~~counsel for Bentall Kennedy (Canada) LP, Quadreal Property Group~~, counsel for Ivanhoe Cambridge, counsel for Cushman Wakefield Asset Services, Morguard Investments Limited, Smart REIT (SmartCentres), RioCan REIT, Cominar REIT, Triovest Realty Advisors Inc. and Blackwood Partners Management Corporation, counsel for the Oxford Properties Group and Crombie REIT, and no one appearing for any other person on the service list, although properly served as appears from the affidavit of Monique Sassi sworn on February 19, 2019.

**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.
2. **THIS COURT ORDERS** that any capitalized term used and not defined herein, shall have the meaning ascribed thereto in the Initial Order, the Consulting Agreement, or the Sale Guidelines (defined below), as applicable.

**Approval of the Consulting Agreement**

3. **THIS COURT ORDERS** that the Consulting Agreement, including the Sale Guidelines attached hereto as Schedule "A" (the "Sale Guidelines"), and the transactions contemplated under the Consulting Agreement including the Sale Guidelines, are hereby approved with such minor amendments to the Consulting Agreement (but not the Sale Guidelines) as the Payless Canada Entities, with the consent of the Monitor, and the Consultant may deem necessary and agree to in writing. Subject to the provisions of this Order, the Payless Canada Entities are hereby

authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable to implement the Consulting Agreement and the Sale Guidelines and the transactions contemplated therein.

### **The Sale**

4. **THIS COURT ORDERS** that each of the Payless Canada Entities, with the assistance of the Consultant, is authorized and directed to conduct the Sale in accordance with this Order, the Consulting Agreement and the Sale Guidelines and to advertise and promote the Sale within the Stores, all in accordance with the Sale Guidelines. If there is a conflict between this Order, the Consulting Agreement and the Sale Guidelines, the order of priority of documents to resolve each conflict is as follows: (1) this Order; (2) the Sale Guidelines; and (3) the Consulting Agreement.

5. **THIS COURT ORDERS** that each of the Payless Canada Entities, with the assistance of the Consultant, is authorized to market and sell the Merchandise, Additional Merchant Goods and, subject to the Initial Order and paragraph 11 of the Sale Guidelines, the Offered FF&E, free and clear of all liens, claims, encumbrances, security interests, hypothecs, prior claims, mortgages, charges, trusts, deemed trusts, executions, levies, financial, monetary or other claims, whether or not such claims have attached or been perfected, registered or filed and whether secured, unsecured, quantified or unquantified, contingent or otherwise, whensoever and howsoever arising, and whether such claims arose or came into existence prior to the date of this Order or arise or come into existence following the date of this Order (in each case, whether contractual, statutory, arising by operation of law, in equity or otherwise) (all of the foregoing, collectively "**Claims**"), including, without limiting the generality of the foregoing: (a) any encumbrances or charges created by the Initial Order and any other charges hereinafter granted by this Court in these proceedings; and (b) 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 are collectively referred to as the "**Encumbrances**"), which

Claims will attach instead to the proceeds received from the Merchandise, Additional Merchant Goods, and the Offered FF&E, other than amounts due and payable to the Consultant by any of the Payless Canada Entities under the Consulting Agreement, in the same order and priority as the Claims existed as at the date hereof.

6. **THIS COURT ORDERS** that, subject to the terms of this Order and the Sale Guidelines, the Consultant shall have the right to use the Stores and all related store services, furniture, trade fixtures and equipment, including the FF&E, located at the Stores, and other assets of any of the Payless Canada Entities as designated under the Consulting Agreement for the purpose of conducting the Sale, and for such purposes, the Consultant shall be entitled to the benefit of the Payless Canada Entities' stay of proceedings provided pursuant to the Initial Order, as applicable and as such stay may be extended from time to time.

7. **THIS COURT ORDERS** that until the Sale Termination Date which, for greater certainty, shall be the earlier of April 30, 2019 and the effective date of a disclaimer in accordance with the CCAA, the Consultant shall have access to the Stores in accordance with the applicable leases and the Sale Guidelines on the basis that the Consultant is assisting the Payless Canada Entities and each of the Payless Canada Entities has granted the right of access to the applicable Store to the Consultant. To the extent that the terms of the applicable leases are in conflict with any term of this Order or the Sale Guidelines, the terms of this Order and the Sale Guidelines shall govern.

8. **THIS COURT ORDERS** that nothing in this Order shall amend or vary, or be deemed to amend or vary, the terms of the leases for the Stores. Nothing contained in this Order or the Sale Guidelines shall be construed to create or impose upon any of the Payless Canada Entities or the Consultant any additional restrictions not contained in the applicable lease.

9. **THIS COURT ORDERS** that nothing herein is, or shall be deemed to be a consent by any Landlord to the sale, assignment or transfer of any Lease, or to grant to the Landlord any greater rights than already exist under the terms of any applicable Lease.

10. **THIS COURT ORDERS** that until the Sale Termination Date, the Consultant shall have the right to use, without interference by any intellectual property licensor, the Payless Canada Entities' trademarks, trade names and logos, customer/marketing lists, website and social media accounts as well as all licenses and rights granted to any of the Payless Canada Entities to use the trade names, and logos of third parties, relating to and used in connection with the operation of the Stores solely for the purpose of advertising and conducting the Sale in accordance with the terms of the Consulting Agreement, the Sale Guidelines and this Order.

#### **Consultant Liability**

11. **THIS COURT ORDERS** that the Consultant shall act solely as an independent consultant to each of the Payless Canada Entities and that it shall not be liable for any claims against any of the Payless Canada Entities other than as expressly provided in the Consulting Agreement or the Sale Guidelines. More specifically:

- (a) The Consultant shall not be deemed to be an owner or in possession, care, control or management of the Stores or the assets located therein or associated therewith or of the Payless Canada Entities' employees located at the Stores or any other property of any of the Payless Canada Entities;
- (b) The Consultant shall not be deemed to be an employer, or a joint or successor employer or a related or common employer or payor within the meaning of any legislation governing employment or labour standards or pension benefits or health and safety or other statute, regulation or rule of law or equity for any

purpose whatsoever, and shall not incur any successorship liabilities whatsoever; and

- (c) The Payless Canada Entities shall bear all responsibility for any liability whatsoever (including without limitation losses, costs, damages, fines, or awards) relating to claims of customers, employees and any other persons arising from events and closings occurring at the Stores during and after the term of the Consulting Agreement, except to the extent that such claims are the result of events or circumstances caused or contributed to by the gross negligence or wilful misconduct of the Consultant, its employees, agents or other representatives, or otherwise in accordance with the Consulting Agreement.

12. **THIS COURT ORDERS** to the extent any of the Payless Canada Entities' landlords may have a claim against any of the Payless Canada Entities arising solely out of the conduct of the Consultant in conducting the Sale for which any of the Payless Canada Entities have claims against the Consultant under the Consulting Agreement, the Payless Canada Entity(ies) shall be deemed to have assigned free and clear such claims to the applicable landlord (the "**Assigned Landlord Rights**"); provided that each such landlord shall only be permitted to advance each such claims against the Consultant if written notice, including the reasonable details of such claims, is provided by such Landlord to the Consultant, the Payless Canada Entities and the Monitor during the period from the Sale Commencement Date to the date that is thirty (30) days following the Sale Termination Date.

**Consultant as Unaffected Creditor**

13. **THIS COURT ORDERS** that, in accordance with the CCAA and the Initial Order, and subject only to paragraph 6 of this Order, the Consultant shall not be affected by the stay of proceedings in respect of the Payless Canada Entities and shall be entitled to exercise its

remedies under the Consulting Agreement in respect of claims of the Consultant pursuant to the Consulting Agreement (collectively, the "**Consultant's Claims**"), the Consultant shall be treated as an unaffected creditor in the context of the present proceedings.

14. **THIS COURT ORDERS** that notwithstanding the terms of any order issued by this Court in the context of the present proceedings or the terms of the CCAA, none of the Payless Canada Entities shall be entitled to repudiate, disclaim or resiliate the Consulting Agreement or any of the agreements, contracts or arrangements in relation thereto entered into with the Consultant nor shall any claim in favour of the Consultant Agreement or related agreements, contracts or arrangements be compromised pursuant to any plan of compromise or arrangement.

15. **THIS COURT ORDERS** that each of the Payless Canada Entities is hereby authorized and directed to remit, in accordance with the Consulting Agreement, or any other agreement contract or arrangement in relation thereto, all amounts that become due to the Consultant thereunder.

16. **THIS COURT ORDERS** that no Claims shall attach to any amounts payable by any of the Payless Canada Entities to the Consultant pursuant to the Consulting Agreement, including any amounts that must be reimbursed by any of the Payless Canada Entities to the Consultant, and the Payless Canada Entity(ies) shall pay any such amounts to the Consultant free and clear of all Claims, notwithstanding any enforcement or other process, all in accordance with the Consulting Agreement.

17. **THIS COURT ORDERS** that notwithstanding (a) the pendency of these proceedings; (b) any application for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* ("**BIA**") in respect of any of the Payless Canada Entities or any bankruptcy order made pursuant to any such applications; (c) any assignment in bankruptcy made in respect of any of the Payless Canada Entities; (d) the provisions of any federal or provincial statute; or (e) any



negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of encumbrances, contained in any existing loan documents, lease, mortgage, security agreement, debenture, sublease, offer to lease or other document or agreement (collectively, the "**Agreement**") which binds any of the Payless Canada Entities:

(a) the Consulting Agreement and the transactions and actions provided for and contemplated therein (including the Sale Guidelines), including, without limitation, the payment of amounts due to the Consultant; and

(b) the Assigned Landlord Rights,

shall be binding on any trustee in bankruptcy that may be appointed in respect of any of the Payless Canada Entities and shall not be void or voidable by any Person (as defined in the BIA), including any creditor of any of the Payless Canada Entities, nor shall they, or any of them, constitute or be deemed to be a preference, fraudulent conveyance, transfer at undervalue or other challengeable reviewable transaction, under the BIA or any applicable law, nor shall they constitute oppressive or unfairly prejudicial conduct under any applicable law.

18. **THIS COURT ORDERS** that notwithstanding (a) the pendency of these proceedings; (b) any application for a bankruptcy order now or hereafter issued pursuant to the BIA in respect of any of the Payless Canada Entities or any bankruptcy order made pursuant to any such applications; (c) any assignment in bankruptcy made in respect of any of the Payless Canada Entities; (d) the provisions of any federal or provincial statute; or (e) any Agreement which binds any of the Payless Canada Entities, any obligation to clean up or repair any of the leased premises contained in this Order or the Sale Guidelines, shall be binding on any trustee in bankruptcy that may be appointed in respect to the Payless Canada Entities and shall not be void or voidable by any Person (as defined in the BIA), including any creditor of any of the Payless Canada Entities, nor shall they, or any of them, constitute or be deemed to be a preference,



fraudulent conveyance, transfer at undervalue or other challengeable reviewable transaction, under the BIA or any applicable law, nor shall they constitute oppressive or unfairly prejudicial conduct under any applicable law.

### **Gift Cards, Returns and Coupons**

19. **THIS COURT ORDERS** that for a period of thirty days (30) following the granting of the Initial Order, the Payless Canada Entities will honour gift cards that were issued by the Payless Canada Entities prior to the Sale Commencement Date in accordance with the Payless Canada Entities' customer gift card policies and procedures as they existed as of the date of the Initial Order.

20. **THIS COURT ORDERS** that the Payless Canada Entities shall continue to honour returns and exchanges of Merchandise sold prior to the Sale Commencement Date for a period of thirty days (30) following the granting of the Initial Order in compliance with the Payless Canada Entities' return policies in effect as of the date such item was purchased and any Merchandise sold after the Sale Commencement Date will not be subject to return or exchange.

21. **THIS COURT ORDERS** that upon entry of this Order, the Payless Canada Entities shall cease to honour coupons issued under any promotional programs.

### **General**

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

23. **THIS COURT HEREBY REQUESTS** the aid and recognition of any Court, tribunal, regulatory or administrative bodies, having jurisdiction in Canada, the United States of America or elsewhere, to give effect to this Order and to assist the Payless Canada Entities, the Monitor and their respective 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 Payless Canada Entities and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Payless Canada Entities and the Monitor and their respective agents in carrying out the terms of this Order.

24. **THIS COURT ORDERS** that any interested party (including any of the Payless Canada Entities and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.



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

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## Schedule "A"

### SALE GUIDELINES

The following procedures shall apply to the Sale to be conducted at the Stores of Payless ShoeSource Canada Inc., Payless ShoeSource Canada GP Inc. and Payless ShoeSource Canada LP (collectively, the "**Merchant**"). All terms not herein defined shall have the meaning set forth in the Consulting Agreement by and between a joint venture comprised of Great American Group, LLC and Tiger Capital Group, LLC (collectively with their respective Canadian affiliate assignees, the "**Consultant**"), Payless Holdings, LLC and the Merchant dated as of February 12, 2019 (the "**Consulting Agreement**").

1. Except as otherwise expressly set out herein, and subject to: (i) the Initial Order in these proceedings dated February 19, 2019, (the "**Initial Order**") or any further Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**"); or (ii) any subsequent written agreement between the Merchant and the applicable landlord(s) (individually, a "**Landlord**" and, collectively, the "**Landlords**") and approved by the Consultant in writing, or (iii) as otherwise set forth herein, the Sale shall be conducted in accordance with the terms of the applicable leases/or other occupancy agreements to which the affected Landlords are privy for each of the affected Stores (individually, a "**Lease**" and, collectively, the "**Leases**"). However, nothing contained herein shall be construed to create or impose upon the Merchant or the Consultant any additional restrictions not contained in the applicable Lease or other occupancy agreement.
2. The Sale shall be conducted so that each of the Stores remains open during its normal hours of operation provided for in its respective Lease until the respective Sale Termination Date for such Store. The Sale at the Stores shall end by no later than the Sale Termination Date. Rent payable under the respective Leases shall be paid in accordance with the terms of the Initial Order.
3. The Sale shall be conducted in accordance with applicable federal, provincial and municipal laws and regulations, unless otherwise set out herein or otherwise ordered by the Court.
4. All display and hanging signs used by the Consultant in connection with the Sale shall be professionally produced and all hanging signs shall be hung in a professional manner. Notwithstanding anything to the contrary contained in the Leases, the Consultant may advertise the Sale at the Stores as an "everything on sale", an "everything must go", a "store closing" or similar theme sale at the Stores (provided however that no signs shall advertise the Sale as a "bankruptcy", a "going out of business" or a "liquidation" sale it being understood that the French equivalent of "clearance" is "liquidation" and is permitted to be used). Forthwith upon request from a Landlord, the Landlord's counsel, the Merchant or the Monitor, the Consultant shall provide the proposed signage packages along with the proposed dimensions and number of signs (as approved by the Merchant pursuant to the Consulting Agreement) by e-mail or facsimile to the applicable Landlords or to their counsel of record. Where the provisions of the Lease conflict with these Sale Guidelines, these Sale Guidelines shall govern. The Consultant shall not use neon or day-glow or handwritten signage (unless otherwise contained in the sign package, including "you pay" or "topper" signs). In addition, the Consultant shall be permitted to utilize exterior banners/signs at stand alone or strip mall Stores or enclosed mall Stores with a separate entrance from the exterior of the enclosed mall, provided, however, that where such

banners are not explicitly permitted by the applicable Lease and the Landlord requests in writing that the banners are not to be used, no banners shall be used absent further Order of the Court, which may be sought on an expedited basis on notice to the service list in the CCAA proceeding (the "Service List"). Any banners used shall be located or hung so as to make clear that the Sale is being conducted only at the affected Store and shall not be wider than the premises occupied by the affected Store. All exterior banners shall be professionally hung and to the extent that there is any damage to the façade of the premises of a Store as a result of the hanging or removal of the exterior banner, such damage shall be professionally repaired at the expense of the Consultant. If a Landlord is concerned with "store closing" signs being placed in the front window of a Store or with the number or size of the signs in the front window, the Consultant and the Landlord will discuss the Landlord's concerns and work to resolve the dispute.

5. The Consultant shall be permitted to utilize sign walkers and street signage; provided, however, such sign walkers and street signage shall not be located on the shopping centre or mall premises.
6. The Consultant shall not make any alterations to interior or exterior Store lighting, except as authorized pursuant to the applicable Lease. The hanging of exterior banners or other signage, where permitted in accordance with the terms of these guidelines, shall not constitute an alteration to a Store.
7. Conspicuous signs shall be posted in the cash register areas of each Store to the effect that all sales are "final".
8. The Consultant shall not distribute handbills, leaflets or other written materials to customers outside of any of the Stores on any Landlord's property, unless permitted by the applicable Lease or, if distribution is customary in the shopping centre in which the Store is located. Otherwise, the Consultant may solicit customers in the Stores themselves. The Consultant shall not use any giant balloons, flashing lights or amplified sound to advertise the Sale or solicit customers, except as permitted under the applicable Lease, or agreed to by the Landlord, and no advertising trucks shall be used on a Landlord property or mall ring roads, except as explicitly permitted under the applicable Lease or agreed to by the Landlord.
9. At the conclusion of the Sale in each Store, the Consultant shall arrange that the premises for each Store are in "broom-swept" and clean condition, and shall arrange that the Stores are in the same condition as on the commencement of the Sale, ordinary wear and tear excepted. No property of any Landlord of a Store shall be removed or sold during the Sale. No permanent fixtures (other than FF&E which for clarity is owned by the Merchant) may be removed without the applicable Landlord's written consent unless otherwise provided by the applicable Lease. Any fixtures or personal property left in a Store after the Sale Termination Date in respect of which the applicable Lease has been disclaimed by the Merchant shall be deemed abandoned, with the applicable Landlord having the right to dispose of the same as the Landlord chooses, without any liability whatsoever on the part of the Landlord.
10. Subject to the terms of paragraph 9 above, the Consultant may sell Offered FF&E which is located in the Stores during the Sale. The Merchant and the Consultant may advertise the sale of Offered FF&E consistent with these guidelines on the understanding that any applicable Landlord may require that such signs be placed in discreet locations

acceptable to the applicable Landlord, acting reasonably. Additionally, the purchasers of any Offered FF&E sold during the Sale shall only be permitted to remove the Offered FF&E either through the back shipping areas designated by the applicable Landlord, or through other areas after regular store business hours, or through the front door of the Store during store business hours if the Offered FF&E can fit in a shopping bag, with applicable Landlord's supervision as required by the applicable Landlord. The Consultant shall repair any damage to the Stores resulting from the removal of any Offered FF&E by Consultant or by third party purchasers of Offered FF&E from Consultant.

11. The Merchant hereby provides notice to the Landlords of the Merchant and the Consultant's intention to sell and remove Offered FF&E from the Stores. The Consultant will arrange a walk through with each Landlord that requests a walk through with the Consultant to identify the Offered FF&E subject to the sale. The relevant Landlord shall be entitled to have a representative present in the Store to observe such removal. If the Landlord disputes the Consultant's entitlement to sell or remove any FF&E under the provisions of the Lease, such FF&E shall remain on the premises and shall be dealt with as agreed between the Merchant, the Consultant and such Landlord, or by further Order of the Court upon application by the Merchant on at least two (2) days' notice to such Landlord. If the Merchant has disclaimed or resiliated the Lease governing such Store in accordance with the CCAA and the Initial Order, it shall not be required to pay rent under such Lease pending resolution of any such dispute (other than rent payable for the notice period provided for in the CCAA and the Initial Order, and the disclaimer or resiliation of the Lease) shall be without prejudice to the Merchant's or Consultant's claim to the FF&E in dispute.
12. If a notice of disclaimer or resiliation is delivered pursuant to the CCAA and the Initial Order to a Landlord while the Sale is ongoing and the Store in question has not yet been vacated, then: (a) during the notice period prior to the effective time of the disclaimer or resiliation, the applicable Landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Merchant and the Consultant 24 hours' prior written notice; and (b) at the effective time of the disclaimer or resiliation, the relevant Landlord shall be entitled to take possession of any such Store without waiver of or prejudice to any claims or rights such Landlord may have against the Merchant in respect of such Lease or Store, provided that nothing herein shall relieve such Landlord of its obligation to mitigate any damages claimed in connection therewith.
13. The Consultant and its agents and representatives shall have the same access rights to the Stores as the Merchant under the terms of the applicable Lease, and the applicable Landlords shall have the rights of access to the Stores during the Sale provided for in the applicable Lease (subject, for greater certainty, to any applicable stay of proceedings).
14. The Merchant and the Consultant shall not conduct any auctions of Merchandise, Additional Merchant Goods, or Offered FF&E at any of the Stores.
15. The Consultant shall be entitled, as agent for the Merchant to include in the Sale the Additional Merchant Goods to the extent such are on-order goods from the Merchant's existing vendors provided that: (i) the Additional Merchant Goods sold as part of the Sale will not exceed \$ 5 million at cost in the aggregate; and (ii) the Additional Merchandise Goods will be distributed among Stores such that no Store will receive more than 2% of the Additional Merchant Goods.

16. The Consultant shall designate a party to be contacted by the Landlords should a dispute arise concerning the conduct of the Sale. The initial contact person for the Consultant shall be Ashley Taylor who may be reached by phone at 416-869-5236 or email at ataylor@stikeman.com. If the parties are unable to resolve the dispute between themselves, the Landlord or Merchant shall have the right to schedule a "status hearing" before the Court on no less than two (2) days written notice to the other party or parties, during which time the Consultant shall cease all activity in dispute other than activity expressly permitted herein, pending the determination of the matter by the Court; provided, for greater certainty, that if a banner has been hung in accordance with these Sale Guidelines and is thereafter the subject of a dispute, the Consultant shall not be required to take any such banner down pending determination of the dispute.
17. Nothing herein is, or shall be deemed to be a consent by any Landlord to the sale, assignment or transfer of any Lease, or to grant to the Landlord any greater rights than already exist under the terms of any applicable Lease.
18. These Sale Guidelines may be amended by written agreement between the Merchant, the Consultant and any applicable Landlord (provided that such amended Sale Guidelines shall not affect or bind any other Landlord not privy thereto without further Order of the Court approving the amended Sale Guidelines).

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 PAYLESS SHOESOURCE CANADA INC. AND PAYLESS SHOESOURCE CANADA GP INC.

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

PROCEEDINGS COMMENCED AT TORONTO

**LIQUIDATION CONSULTING AGREEMENT APPROVAL  
ORDER**

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