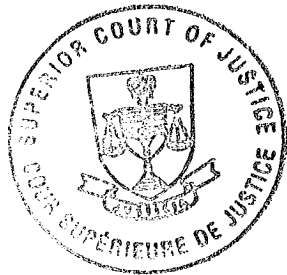


**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE MR.)	MONDAY, THE 2 ND
)	
JUSTICE NEWBOULD)	DAY OF MAY, 2016
)	

IN THE MATTER OF an application under section 101 of the
Courts of Justice Act, R.S.O. 1990, c. C.43, as amended

AND IN THE MATTER OF THE RECEIVERSHIP OF DANIER
LEATHER INC., a corporation incorporated pursuant to the laws
of the Province of Ontario, with a head office in the City of
Toronto, in the Province of Ontario



APPROVAL AND VESTING ORDER – HALTON HILLS LEASE

(Assignment and Assumption of Lease with Landlord Consent)

THIS MOTION, made by KSV Kofman Inc., in its capacity as receiver of the assets, properties and undertakings of Danier Leather Inc. (the "**Receiver**") for an order, *inter alia*, approving the lease transfer (the "**Transaction**") contemplated by an Offer to Purchaser between Danier Leather Inc. ("**Danier**") and Michael Kors (Canada) Holdings Ltd. (the "**Assignee**") dated February 22, 2016 (as amended, extended, supplemented, restated and/or amended and restated from time to time, including by the Agreement Confirming Purchase Agreement between the Receiver and the Assignee dated April 27, 2016, the "**Assignment Agreement**") and certain related relief, and vesting in the Assignee the Receiver's and Danier's right, title and interest in and to the Purchased Assets (as defined in the Assignment Agreement), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the First Report of the Receiver dated April 27, 2016 (the "**First Report**"), filed, and on hearing the submissions of counsel for the Receiver, and such other counsel as were present, no one else appearing although duly served:

SERVICE AND DEFINITIONS

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion Record herein 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 Assignment Agreement.

APPROVAL OF THE ASSIGNMENT AGREEMENT

3. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved and ratified and that the execution of the Assignment Agreement by the Receiver is hereby approved and ratified with such minor amendments as the Receiver and the Assignee may agree to in writing. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction, including the assignment by the Receiver of its right, title and interest in and to the Purchased Assets to the Assignee in accordance with the terms of the Assignment Agreement and this Order. The legal descriptions and applicable land registry offices with respect to the Leased Premises are as set out on Schedule "B" hereto.
4. THIS COURT ORDERS that the Receiver shall pay all rent and any other amounts owing to Halton Hills Shopping Centre Partnership, an Ontario general partnership (the "**Landlord**") accrued up to the Closing Date in respect of the Assumed Lease in accordance with the terms of the Assignment Agreement.
5. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's certificate to each of the Assignee and the Landlord substantially in the form attached as Schedule "A" hereto (the "**Receiver's Certificate**"), all of the Receiver's and Danier's right, title and interest in and to the Purchased Assets shall vest absolutely in the Assignee, 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, leases, notices of lease, subleases, licenses, levies, restrictions, rights of retention, judgments, notices of sale, contractual rights, options, liabilities (direct, indirect, absolute or

contingent), obligations, 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 in respect of the Purchased Assets (collectively, the "**Claims**"), including, without limiting the generality of the foregoing:

- (a) all charges that have been granted in Danier's various insolvency proceedings; and
- (b) all charges, security interests or claims evidenced by registrations pursuant to the Ontario *Personal Property Security Act* or any other personal property registry system,

(all of which are collectively referred to as the "**Encumbrances**") other than the permitted encumbrances listed on Schedule "C" hereto (the "**Permitted Encumbrances**") and, for greater certainty, this Court orders that all of the Claims and Encumbrances affecting or relating to the Purchased Assets other than the Permitted Encumbrances are hereby expunged and discharged as against the Purchased Assets other than any registrations made at the applicable land registry of the Assumed Lease and any memorials of lease, summaries of lease, notices of lease, caveats with respect to lease, assignments of lease and any amendments or other registrations pertaining to the Assumed Lease, provided however that except as may otherwise be agreed to by the Landlord and the Assignee, nothing herein shall affect the rights and remedies of the Landlord against the Assignee that may exist or arise under or in respect of the Assumed Lease.

6. THIS COURT ORDERS that: (a) nothing in this Order shall amend or vary, or be deemed to amend or vary, the terms of a Lease; and (b) none of the Leases shall be transferred conveyed, assigned or vested in the Assignee by operation of this Order.

7. THIS COURT ORDERS that upon the registration in the applicable land registry office of an Application for Vesting Order in the prescribed form or a certified copy of this Order in the manner prescribed by the applicable land registry office, as the case may be, the applicable land registrar is hereby directed to enter the Assignee as the tenant under any memorials of lease, summaries of lease, notices of lease, caveats with respect to lease, assignments of lease and any other amendments thereto which pertain to the Assumed Lease, or any other registrations which pertain to the Assumed Lease.

8. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds received on the Closing of the Transaction shall stand in the place and stead of the Purchased Assets and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds therefrom with the same priority as they had with respect to the Purchased Assets immediately prior to the Closing of the Transaction, as if the Transaction had not been completed.

9. THIS COURT ORDERS AND DIRECTS the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

GENERAL PROVISIONS

10. THIS COURT ORDERS that, notwithstanding:

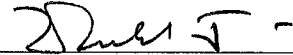
- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of Danier and any bankruptcy order issued pursuant to any such applications; or
- (c) the assignment in bankruptcy made in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

the vesting of the Purchased Assets in the Assignee pursuant to this Order shall be binding on any trustee in bankruptcy that has been or may be appointed in respect of Danier and shall not be void or voidable by creditors of Danier, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) 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.

11. THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

12. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative bodies, having jurisdiction in Canada to give effect to this Order and

to assist the Receiver and its 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 Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its agents in carrying out the terms of this Order.



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

MAY 02 2016

PER / PAR: 

SCHEDULE "A"

Court File No. CV-16-11322-00CL

ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)

IN THE MATTER OF an application under section 101 of the
Courts of Justice Act, R.S.O. 1990, c. C.43, as amended

AND IN THE MATTER OF THE RECEIVERSHIP OF DANIER
LEATHER INC., a corporation incorporated pursuant to the laws
of the Province of Ontario, with a head office in the City of
Toronto, in the Province of Ontario

RECEIVER'S CERTIFICATE

RECITALS

- A. All undefined terms in this Receiver's Certificate have the meanings ascribed to them in the Order of the Court dated May 2, 2016 (the "**Approval and Vesting Order**") approving the lease transfer (the "**Transaction**") contemplated by an Offer to Purchaser between Danier Leather Inc. ("**Danier**") and Michael Kors (Canada) Holdings Ltd. (the "**Assignee**") dated February 22, 2016 (as amended, extended, supplemented, restated and/or amended and restated from time to time, including by the Agreement Confirming Purchase Agreement between the Receiver and the Assignee dated April 27, 2016, the "**Assignment Agreement**").
- B. Pursuant to the Approval and Vesting Order, the Court approved the Assignment Agreement and provided for the vesting in the Assignee of the Receiver's and Danier's right, title and interest in and to the Purchased Assets (as defined in the Assignment Agreement), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Assignee and the Landlord (as defined in the Approval and Vesting Order) of a certificate confirming (i) the conditions set out in the Assignment Agreement have been satisfied or waived by the Receiver and Assignee, as applicable; and (ii) the Transaction has been completed to the satisfaction of the Receiver.

THE RECEIVER CERTIFIES the following:

1. The conditions set out in the Assignment Agreement have been satisfied or waived by the Receiver and Assignee, as applicable; and
2. The Transaction has been completed to the satisfaction of the Receiver.

This Receiver's Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

KSV KOFMAN INC., solely in its capacity as Court-appointed Receiver of the assets, properties and undertakings of Danier Leather Inc., and not in its personal or any other capacity

Per: _____
Name:
Title:

SCHEDULE "B"

LEGAL DESCRIPTION

PIN 24939-0207 (LT) – Land Titles Division of Halton (No. 20)

PT LT 15, CON 8 TRAF NS, PT 1 20R9223 EXCEPT PT 5 20R18408 & PTS 4,6,7 20R19091 & PT 5 20R19138; SUBJECT TO AN EASEMENT IN GROSS OVER PTS 3,5 20R19091 AS IN HR1067230; TOWN OF HALTON HILLS

PIN 24939-0200 (LT) – Land Titles Division of Halton (No. 20)

PT LT 15, CON 8 TRAF NS, PT 2 20R9223 EXCEPT PT 1 20R18980; SUBJECT TO AN EASEMENT IN GROSS OVER PT 2 20R19091 AS IN HR1067230; TOWN OF HALTON HILLS

PIN 24939-0198 (LT) – Land Titles Division of Halton (No. 20)

PT LT 15, CON 8 TRAF NS, AS IN 494311 EXCEPT PT 1 20R18408; TOWN OF HALTON HILLS

PIN 24939-0196 (LT) – Land Titles Division of Halton (No. 20)

PT LT 15, CON 8 TRAF NS, AS IN HR575385 EXCEPT PT 2 20R18408; TOWN OF HALTON HILLS

SCHEDULE "C"

PERMITTED ENCUMBRANCES

"Permitted Encumbrances" means, collectively: (a) any Encumbrances (as defined in the Assignment Agreement) encumbering the freehold or other ownership interest in the Toronto Premium Outlets Mall at Halton Hills (the "**Shopping Centre**"), or any other Landlord's interest in the Shopping Centre, but excludes any Encumbrances solely encumbering the Receiver's or Danier's leasehold interest in and to the Leased Premises (as defined in the Assignment Agreement); (b) Encumbrances which the Assumed Lease is stated to be subject to or bound by pursuant to the terms of the Assumed Lease; and (c) Encumbrances registered against title to the Shopping Centre as of the date of the Assignment Agreement.

IN THE MATTER OF an application under section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended
AND IN THE MATTER OF THE RECEIVERSHIP OF DANIER LEATHER INC., a corporation incorporated pursuant to the laws of the
Province of Ontario, with a head office in the City of Toronto, in the Province of Ontario

Court File No. CV-16-11322-00CL

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

Proceeding commenced at Toronto

**APPROVAL AND VESTING ORDER –
HALTON HILLS LEASE**

**(Assignment and Assumption of Lease
with Landlord Consent)**

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Facsimile: 416-863-1716

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