Court File No. CV-21-656040-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE CHIEF	)	SUNDAY, THE 2ND
	)	
JUSTICE MORAWETZ	)	DAY OF MAY, 2021

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 **LAURENTIAN UNIVERSITY OF SUDBURY**

Applicant

ORDER

(Extension of the Stay of Proceedings, Increase to DIP, Approval of Agreements)

THIS MOTION, brought by the Applicant pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") proceeded on April 29, 2021 by judicial videoconference via Zoom in Toronto, Ontario due to the COVID-19 pandemic.

ON READING the affidavits of Dr. Robert Haché sworn January 30, 2021 (the "**First Haché Affidavit**") and April 21, 2021 (the "**Second Haché Affidavit**") and the Exhibits thereto; the Compendium of Transcripts, Exhibits and Answers to Undertakings, Under Advisements and Refusals of the Applicant, the Motion Record of Thorneloe University dated April 15, 2021, the Supplementary Motion Record of Thorneloe University dated April 19, 2021, the Joint Notice of Cross-Motion of Thorneloe University and the University of Sudbury dated April 22, 2021, the Second Supplementary Motion Record of Thorneloe University dated April 28, 2021, and the Compendium of Transcripts, Exhibits and Answers to Undertakings, Under Advisements and Refusals of Thorneloe University; the Third Report of Ernst & Young Inc. (the "**Monitor**") dated April 26, 2021; and on hearing the submissions of counsel for the Applicant, counsel for the Monitor, and those other parties listed on the Counsel Slip, no one else appearing although duly served with the Applicant's Motion Record as appears from the Affidavit of Service of Derek Harland sworn April 28, 2021,

AND UPON BEING SATISFIED that the Applicant has been and is acting in good faith for the purpose of section 11.02(3) of the CCAA;

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that service of the Applicant's Notice of Motion and the Applicant's Motion Record is hereby validated, so that its Motion is properly returnable today.

2. **THIS COURT ORDERS** that capitalized terms used herein that are not otherwise defined shall have the meaning ascribed to them in the Amended and Restated Initial Order dated February 11, 2021 (the "**Amended and Restated Initial Order**").

EXTENSION OF STAY PERIOD

3. **THIS COURT ORDERS** that the stay period as referred to in the Amended and Restated Initial Order is extended until and including August 31, 2021 (the "**Stay Period**").

DIP AMENDMENT

4. **THIS COURT ORDERS** that the Applicant is hereby authorized and empowered to obtain and borrow an additional principal amount of $10,000,000 under the credit facility (the "**Amended DIP Facility**") provided by Firm Capital Corporation, as assigned to Firm Capital Mortgage Fund Inc. (the "**DIP Lender**") in order to finance the Applicant's working capital requirements and other general corporate purposes and capital expenditures, provided that total borrowings under such credit facility shall not exceed the aggregate principal amount of $35,000,000, unless permitted by further Order of this Court.

5. **THIS COURT ORDERS** that the Amended DIP Facility shall be on the terms and subject to the conditions set forth in the Loan Amendment agreement between the Applicant and the DIP Lender dated April 20, 2021 (the "**Amended DIP Term Sheet**") attached as Exhibit "Z" to the Second Haché Affidavit, subject to such minor amendments as may be acceptable to the Applicant and the DIP Lender and approved by the Monitor.

6. **THIS COURT ORDERS** that the DIP Lender's Charge granted in the Amended and Restated Initial Order is increased to the maximum amount of $35,000,000, maintains the same priority as provided for in the Amended and Restated Initial Order, and shall apply to the Amended DIP Term Sheet, the Amended DIP Facility, and all amounts advanced to the Applicant pursuant to the Amended DIP Facility.

7. **THIS COURT ORDERS** that, except as specifically amended herein, paragraphs 31(f) and 41-51 of the Amended and Restated Initial Order shall apply to the Amended DIP Term Sheet, the Amended DIP Facility, and the DIP Lender's Charge, as applicable.

APPROVAL OF RESTRUCTURING AGREEMENTS

8. **THIS COURT ORDERS** that the term sheet entered into between the Applicant and the Laurentian University Faculty Association ("**LUFA**") dated April 7, 2021 and attached as Exhibit "H" to the Second Haché Affidavit (the "**LUFA Term Sheet**"), together with all Schedules thereto, including but not limited to the Pension Term Sheet regarding the Retirement Plan of the Applicant and its Federated and Affiliated Universities, Registration No. 0267013 (the "**Pension Plan**"), is hereby approved *nunc pro tunc* and the Applicant is hereby authorized to take all steps and execute such additional documents as may be necessary or desirable to give effect to the LUFA Term Sheet.

9. **THIS COURT ORDERS** that the term sheet entered into between the Applicant and the Laurentian University Staff Union ("**LUSU**") dated April 5, 2021 and attached as Exhibit "I" to the Second Haché Affidavit (the "**LUSU Term Sheet**"), together with all Schedules thereto, including but not limited to the Pension Term Sheet regarding the Pension Plan, is hereby approved *nunc pro tunc* and the Applicant is hereby authorized to take all steps and execute such additional documents as may be necessary or desirable to give effect to the LUSU Term Sheet.

10. **THIS COURT ORDERS** that the Transition Agreement entered into between the Applicant and Huntington University ("**Huntington**") dated April 16, 2021 and attached as Exhibit "Q" to the Second Haché Affidavit (the "**Huntington Transition Agreement**") is hereby approved, and each of the Applicant and Huntington are hereby authorized to carry out the terms of the Huntington Transition Agreement. The Applicant and Huntington are hereby authorized to take such additional steps and execute such additional documents as may be

necessary or desirable for the completion of the Huntington Transition Agreement and the transactions contemplated therein.

11. **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 the Applicant and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect the Applicant;

the terms of the Huntington Transition Agreement shall be binding on any trustee in bankruptcy that may be appointed in respect of the Applicant and shall not be void or voidable by creditors of the Applicant, nor shall it constitute nor 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.

GENERAL

12. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or outside of Canada to give effect to this Order and to assist the Applicant, 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 Applicant 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 Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

13. **THIS COURT ORDERS** that each of the Applicant and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative

body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

Chief Justice Morawetz

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Proceeding commenced at Toronto

ORDER
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