

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Re TRAVELSTANDS INC

Plaintiff(s)

AND

Defendant(s)

Case Management Yes No by Judge: _____

Counsel	Telephone No:	Facsimile No:
JOHN A. McDONALD + MICHAEL Dehellis - for applicant		
CLIFTON PLOTT - for BMO		
ASHLEY TAYLOR + PATRICK CORNEY - for KPMG Inc.		

- Order Direction for Registrar (No formal order need be taken out)
- Above action transferred to the Commercial List at Toronto (No formal order need be taken out)
- Adjourned to: _____
- Time Table approved (as follows):

May 27, 2015

Travelstands has applied for relief under the CCAA. It is clearly in default and meets the requirements of the CCAA for a status of proceedings under section 11.

The applicant requests no financing from its parent Red hotel not exceeding \$4 million, with no interest payable and no commitment fee.

No funds are clearly required for the applicant

Date

Judge's Signature

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Judges Endorsment Continued

to continue in business and it will enhance the prospects of a viable plan of arrangement going forward. The Court will rank after the security of BMO, who does not oppose the relief sought (albeit not too much notice given to BMO) and after the security of Element Rest Mfg Co. I am satisfied taking into account the tests set out in section 11.2(4) of the CCAA that the DIP charge is appropriate. The Monitor supports it.

The Director's charge and Administration charges are reasonable and approved.

A request for permission to pay certain pre-filing obligations to suppliers ^{and transport} has been made. Payment to these suppliers ^{and travel agents} is crucial to the continuation of the business. The applicant requests that payment to the suppliers require the consent of the Monitor and parent Red Hefel.

The court has jurisdiction to make such an order.

See Smurfit [2009] O.J. No. 349 and Cannest [2009] O.J. No. 4286. No order in this

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case is appropriate.

There is a risk that some BDO employees may be laid off or terminated if a satisfactory renegotiation with Sears Canada or the Sears Canada contact is not achievable. Before any such lay off or termination, the applicant is to re-attend before me to consider whether a representative counsel should be appointed to represent the employees' interests.

Other provisions in the initial order, including continuation of cash management, are standard and in this case reasonable and required.

Order to go, which I have signed.

J. J. [Signature]