



Court File No. CV-16-11527-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE
JUSTICE CONWAY

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THURSDAY, THE 29TH
DAY OF MARCH, 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
GOLF TOWN CANADA HOLDINGS INC., GOLF TOWN CANADA INC. AND
GOLF TOWN GP II INC.**

Applicants

CCAA TERMINATION ORDER

THIS MOTION made by Golf Town Canada Holdings Inc., Golf Town Canada Inc. (“**GT Canada**”), Golf Town GP II Inc., Golfsmith International Holdings LP and Golf Town Operating Limited Partnership (collectively, the “**Golf Town Entities**”), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Brian Cejka (the “**CRO**”) sworn March 22, 2018, the Eighth Report of FTI Consulting Canada Inc. (“**FTI**”) as the Court-appointed Monitor of the Golf Town Entities (the “**Monitor**”) dated March 22, 2018 (the “**Eighth Report**”) and the affidavits sworn in support of the approval of the fees and disbursements of the Monitor and its counsel, and on hearing the submissions of counsel for each of the Golf Town Entities, the Monitor and such other counsel as were present and wished to be heard, and on reading the affidavit of service, filed:

DEFINED TERMS

1. **THIS COURT ORDERS** that capitalized terms used and not otherwise defined herein shall have the meanings given to them in the Initial Order of this Court dated September 14, 2016 (as amended, the “**Initial Order**”).

DISTRIBUTION OF FUNDS

2. **THIS COURT ORDERS** that the Monitor is authorized and directed to hold a reserve of funds from proceeds of the Golf Town Entities (the “**Reserve**”) from time to time in an amount determined by the Monitor, in consultation with counsel to the Golf Town Entities, which Reserve shall be sufficient for the payment of:

- (a) any claim secured by the Charges granted by this Court pursuant to the Initial Order;
- (b) any expense or obligation incurred by the Golf Town Entities that relates to the period from and after the date of the Initial Order or is otherwise payable pursuant to the Initial Order; and
- (c) any other amounts appropriate in the circumstances to ensure the availability of sufficient funds to undertake and complete the orderly wind-down of the Golf Town Entities and these proceedings and all ancillary activities in connection therewith, including any assignments in bankruptcy in respect of the Golf Town Entities pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”).

3. **THIS COURT ORDERS** that, notwithstanding anything to the contrary in any other Order of this Court, the Monitor is hereby authorized and directed, subject to the prior written consent of the CRO, to distribute to BNY Trust Company of Canada, in its capacity as Canadian co-trustee (the “**Trustee**”) under the Secured Notes Indenture (as defined below), in one or more distributions (each a “**Distribution**” and, collectively, the “**Distributions**”), all funds or proceeds in respect of the Golf Town Entities held by the Monitor in excess of the amount of the Reserve determined at the time of such Distribution, provided that, for greater certainty, the aggregate amount of all Distributions made to the Trustee on behalf of the Golf Town Entities shall not

exceed the aggregate obligations owing by the Golf Town Entities pursuant to the indenture dated as of July 24, 2012, as amended (the “**Secured Notes Indenture**”), pursuant to which GT Canada and Golfsmith International Holdings, Inc. (collectively with their affiliates, the “**Company**”) issued the 10.50% senior second lien notes due 2018 (the “**Secured Notes**”). For greater certainty, this paragraph shall apply to all funds or proceeds in respect of the Golf Town Entities that are held by or come into the possession of the Monitor following the CCAA Termination Date (as defined below) (the “**Post-Termination Proceeds**”).

4. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) the assignment in bankruptcy or any petition for a bankruptcy order now or hereafter issued pursuant to the BIA and any order issued pursuant to such petition; or
- (c) any provisions of any federal or provincial legislation,

the Distributions shall be binding on any trustee in bankruptcy or receiver that may be appointed and shall not be void or voidable nor deemed to be a preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

APPROVAL OF MONITOR’S ACTIVITIES

5. **THIS COURT ORDERS** that the activities and conduct of the Monitor prior to or on the date hereof in relation to the Golf Town Entities and these proceedings are hereby ratified and approved.

6. **THIS COURT ORDERS** that the reports of the Monitor filed to date in these proceedings (including the Eighth Report), and the activities and conduct of the Monitor described in each of such reports, are hereby approved.

APPROVAL OF FEES AND DISBURSEMENTS OF THE MONITOR

7. **THIS COURT ORDERS** that the fees and disbursements of the Monitor for the period from September 14, 2016 to February 28, 2018, and its fees and disbursements, estimated not to exceed \$60,000, for the completion of remaining activities in connection with these proceedings, all as set out in the affidavit of Paul Bishop sworn March 21, 2018, are hereby approved.

8. **THIS COURT ORDERS** that the fees and disbursements of Osler, Hoskin & Harcourt LLP, in its capacity as counsel to the Monitor, for the period from September 1, 2016 to February 28, 2018, and its fees and disbursements, estimated not to exceed \$50,000, for the completion of remaining activities in connection with these proceedings, all as set out in the affidavit of Tracy Sandler sworn March 22, 2018, are hereby approved.

TERMINATION OF CCAA PROCEEDINGS

9. **THIS COURT ORDERS** that upon the filing of a certificate of the Monitor in substantially the form attached hereto as Schedule "A" (the "**Monitor's Certificate**") confirming that all matters to be attended to in connection with the Golf Town Entities and proceedings in respect of the Company have been completed, the proceedings shall be terminated without any further act or formality (the "**CCAA Termination Date**"). For greater certainty, the Monitor's Certificate may be filed and the CCAA Termination Date may occur notwithstanding one or more Distributions are expected to occur following the CCAA Termination Date.

10. **THIS COURT ORDERS** that the Charges shall be and are hereby terminated, released and discharged as of the CCAA Termination Date. Notwithstanding the foregoing, where the Monitor continues to hold a Reserve at the CCAA Termination Date with respect to a Charge, such Charge, in an amount equal to the corresponding Reserve amount held by the Monitor, shall not be terminated, released or discharged until such time as the corresponding Reserve amount is distributed or released pursuant to the terms of this Order.

11. **THIS COURT ORDERS** that each of the Golf Town Entities shall be authorized, in its discretion or at the discretion of the Monitor, to make an assignment in bankruptcy pursuant to the BIA on or after the CCAA Termination Date, and the Monitor is hereby authorized to file any such assignment in bankruptcy for and on behalf of any Golf Town Entity and to take any

steps reasonably incidental thereto. FTI is hereby authorized to act as trustee in bankruptcy in respect of any Golf Town Entity that makes an assignment in bankruptcy pursuant to the BIA.

DISCHARGE OF THE MONITOR

12. **THIS COURT ORDERS AND DECLARES** that effective on the CCAA Termination Date, the Monitor shall be and is hereby discharged as Monitor and shall have no further duties, obligations or responsibilities as Monitor from and after the CCAA Termination Date, provided that, notwithstanding its discharge herein, the Monitor shall remain Monitor for the performance of such incidental or ancillary duties as may be required to complete the administration of the Golf Town Entities' estate or these proceedings following the CCAA Termination Date, including the duty to effect a Distribution of any Post-Termination Proceeds pursuant to the terms of this Order and the discretion to authorize an assignment in bankruptcy pursuant to paragraph 11 hereof.

13. **THIS COURT ORDERS** that, notwithstanding any provision of this Order, the termination of these proceedings or the discharge of the Monitor, nothing herein shall affect, vary, derogate from, limit or amend, and the Monitor shall continue to have the benefit of, any of the rights, approvals and protections in favour of the Monitor at law or pursuant to the CCAA, the Initial Order, any other Order of this Court in these proceedings or otherwise, all of which are expressly continued and confirmed following the CCAA Termination Date, including in connection with any actions taken by FTI following the CCAA Termination Date with respect to the Golf Town Entities or these proceedings.

RELEASE

14. **THIS COURT ORDERS** that (i) the present and former direct and indirect shareholders, directors, officers, employees, legal counsel and advisors of the Golf Town Entities (or any of them) or Golfsmith International Holdings GP Inc., and (ii) the Monitor and its legal counsel (the persons listed in clauses (i) and (ii) being collectively, the "**Released Parties**") are hereby forever irrevocably released and discharged from any and all present and future claims (including, without limitation, claims for contribution or indemnity), liabilities, indebtedness, demands, actions, causes of action, counterclaims, suits, damages, judgments, executions, recoupments, debts, sums of money, expenses, accounts, liens, recoveries, and obligations of

whatever nature or kind whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise) based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place prior to the CCAA Termination Date or completed pursuant to the terms of this Order in respect of the Company, the business, operations, assets, property and affairs of the Company wherever or however conducted or governed, the administration and/or management of the Company, the Secured Notes Indenture, the Secured Notes and these proceedings (collectively, the “**Released Claims**”), which Released Claims are hereby fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties, provided that nothing in this paragraph 14 shall waive, discharge, release, cancel or bar any claim against the Directors and Officers that is not permitted to be released pursuant to section 5.1(2) of the CCAA.

EXTENSION OF THE STAY OF PROCEEDINGS

15. **THIS COURT ORDERS** that the Stay Period (as defined in and used throughout the Initial Order) be and is hereby extended to and including the earlier of (i) the CCAA Termination Date, and (ii) May 31, 2018.

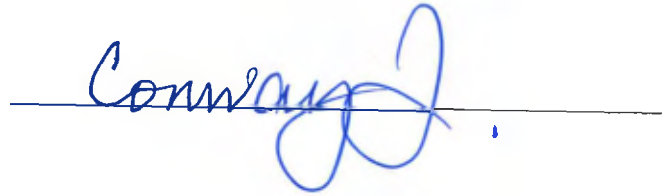
GENERAL

16. **THIS COURT ORDERS** that the Golf Town Entities or the Monitor may apply to the Court as necessary to seek further orders and directions to give effect to this Order.

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

18. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, or in any other foreign jurisdiction, to give effect to this Order and to assist the Golf Town Entities and 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 Golf Town Entities and the Monitor and their respective agents

as may be necessary or desirable to give effect to this Order, or to assist the Golf Town Entities and the Monitor and their respective agents in carrying out the terms of this Order.



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

MAR 29 2018

PER / PAR:



Schedule A – Form of Monitor’s Certificate

Court File No. CV-16-11527-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF THE *COMPANIES’ CREDITORS ARRANGEMENT
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**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
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GOLF TOWN GP II INC.**

Applicants

MONITOR’S CERTIFICATE

RECITALS

A. FTI Consulting Canada Inc. was appointed as the Monitor of the Golf Town Entities in the within proceedings pursuant to an Initial Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated September 14, 2016.

C. Pursuant to the Order of this Court dated March 29, 2018 (the “**CCAA Termination Order**”), the Monitor shall be discharged and these proceedings shall be terminated upon the filing of this Monitor’s Certificate with the Court.

D. Unless otherwise indicated herein, capitalized terms used in this Monitor’s Certificate shall have the meanings given to them in the CCAA Termination Order.

THE MONITOR CONFIRMS the following:

1. All matters to be attended to in connection with the Golf Town Entities and proceedings in respect of the Company have been completed.

ACCORDINGLY, the CCAA Termination Date as defined in the CCAA Termination Order has occurred on the date set forth below.

DATED at Toronto, Ontario this _____ day of _____, 2018.

**FTI Consulting Canada Inc., in its capacity as
Monitor of the Golf Town Entities, and not in
its personal capacity**

Per: _____
Name:
Title:

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
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Applicants

**ONTARIO
SUPERIOR COURT OF JUSTICE
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Proceeding commenced at Toronto

CCAA TERMINATION ORDER

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