

Court File No.: BK-23-03008133-0031  
 Court/Estate No. 31-3008133

**ONTARIO  
 SUPERIOR COURT OF JUSTICE  
 (COMMERCIAL LIST)  
 IN BANKRUPTCY AND INSOLVENCY**

|                        |   |                              |
|------------------------|---|------------------------------|
| THE HONOURABLE JUSTICE | ) | FRIDAY, THE 17 <sup>TH</sup> |
|                        | ) |                              |
| WILTON-SIEGEL          | ) | DAY OF NOVEMBER, 2023        |

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL  
 OF BAD BOY FURNITURE WAREHOUSE LIMITED  
 IN THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

**LIQUIDATION APPROVAL ORDER**

**THIS MOTION**, made by Bad Boy Furniture Warehouse Limited (the “**Company**”) for an order, *inter alia*: (a) extending the time for the Company to file a proposal pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3, as amended (the “**BIA**”); (b) approving the accommodation agreement between the Company and Laurentian Bank of Canada dated as of November 15, 2023 (as it may be amended or modified in accordance with its terms, the “**Accommodation Agreement**”) and authorizing the Company to borrow thereunder; (c) approving the consulting agreement between the Company and Infinity Asset Solutions Inc. (the “**Consultant**”) dated as of November 15, 2023 (as may be amended and restated in accordance with the terms thereof, the “**Consulting Agreement**”) and the transactions contemplated thereby; and (d) certain other relief as described in the Company’s Notice of Motion, was heard this day virtually via videoconference.

**ON READING** the Company’s Notice of Motion, the Second Report of KSV Restructuring Inc., in its capacity as proposal trustee of the Company (the “**Proposal Trustee**”), dated November 15, 2023 (the “**Second Report**”), filed, and on hearing the submissions of respective counsel for the Company, the Proposal Trustee and such other counsel as were present as shown on the Participant Information Form, no one else appearing although duly served:

## **SERVICE AND DEFINITIONS**

1. **THIS COURT ORDERS** that the time for service of the Company's Notice of Motion, the Motion Record and Second Report are 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 Second Report, the Sale Guidelines (as defined below), or the Consulting Agreement, as applicable.

## **EXTENSION OF TIME TO FILE A PROPOSAL**

3. **THIS COURT ORDERS** that, pursuant to Section 50.4(9) of the BIA, the time for the Company to file a proposal is hereby extended to January 23, 2023.

## **ACCOMMODATION AGREEMENT**

4. **THIS COURT ORDERS** that the Accommodation Agreement and its execution by the Company are hereby authorized and approved, and the Company is hereby authorized to borrow under, and perform its obligations pursuant to, the Accommodation Agreement and the Financing Agreement (as defined in the Accommodation Agreement).

## **THE CONSULTING AGREEMENT**

5. **THIS COURT ORDERS** that the Consulting Agreement, including the sale guidelines attached as Schedule "A" hereto (the "**Sale Guidelines**"), and the transactions contemplated thereunder are hereby authorized and approved and that the execution of the Consulting Agreement by the Company is hereby authorized and approved, with such minor amendments to the Consulting Agreement (but not the Sale Guidelines) as the Company (with the consent of the Proposal Trustee) and the Consultant may agree to in writing. Subject to the provisions of this Order, the Company is hereby authorized and directed to take any and all actions as may be necessary or desirable to implement the Consulting Agreement and each of the transactions contemplated therein. Without limiting the foregoing, the Company is authorized to execute any other agreement, contract, deed or document, or take any other action, that is necessary or desirable to give full and complete effect to the Consulting Agreement.

**THE SALE**

6. **THIS COURT ORDERS** that the Company, with the assistance of the Consultant, is authorized 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 (each as defined in the Sale Guidelines) in accordance with the Sale Guidelines. If there is a conflict between this Order, the Consulting Agreement or the Sale Guidelines, the order of priority of documents to resolve such conflicts is as follows: (1) this Order; (2) the Sale Guidelines; and (3) the Consulting Agreement.

7. **THIS COURT ORDERS** that, the Company, with the assistance of the Consultant, is authorized to market and sell, or otherwise dispose of, the Merchandise and FF&E (each as defined in the Sale Guidelines) on a “final sale” and/or “as is” basis and in accordance with the Sale Guidelines and the Consulting Agreement, free and clear of all liens, claims, encumbrances, security interests, mortgages, charges, trusts (including any statutory, deemed or constructive trust), executions, levies, and 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 or 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 limitation, the Charges and the Encumbrances (as such terms are defined in the Order of this Court dated November 10, 2023 (the “**Stay Order**”)), provided that the Encumbrances shall attach instead to the proceeds of the Sale in the same order and priority as they existed immediately prior to the Sale.

8. **THIS COURT ORDERS** that the Company shall provide each of the relevant landlords with notice of the Company’s intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Company’s entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Company, or by further Order of this Court upon application by the Company on at least two (2) days notice to such landlord and any such secured

creditors. If the Company disclaims or resiliates the lease governing such leased premises in accordance with Section 65.2 of the BIA, it shall not be required to pay Rent (as defined in the Stay Order) under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 65.2 of the BIA or the Stay Order), and the disclaimer or resiliation of the lease shall be without prejudice to the Company's claim to the fixtures in dispute.

9. **THIS COURT ORDERS** that if a notice of disclaimer or resiliation is delivered pursuant to Section 65.2 of the BIA, then (a) during the notice period prior to the effective time of the disclaimer or resiliation, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Company and the Proposal Trustee 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 leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Company in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

10. **THIS COURT ORDERS** that subject to the terms of this Order, the Stay Order and the Sale Guidelines, the Consultant shall have the right to enter and use the Stores, all related store services and facilities, all furniture, trade fixtures and equipment located at the Stores, and other assets of the Company 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 stay of proceedings in favour of the Company pursuant to the BIA, the Stay Order and any further Order of this Court.

11. **THIS COURT ORDERS** that until the Sale Termination Date (as defined in the Sale Guidelines), 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 Company as its agent, and the Company has granted its right of access to the Stores 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.

12. **THIS COURT ORDERS** that nothing in this Order shall amend or vary, or be deemed to amend or vary, the terms of the Leases. Nothing contained in this Order or the Sale Guidelines

shall be construed to create or impose upon the Company or the Consultant any additional restrictions not contained in the applicable Lease.

13. **THIS COURT ORDERS** that, subject to and in accordance with the Consulting Agreement, the Sale Guidelines and this Order, the Consultant is authorized to advertise and promote the Sale, without further consent of any Person other than (a) the Company and the Proposal Trustee as provided under the Consulting Agreement; or (b) a Landlord as provided under the Sale Guidelines.

14. **THIS COURT ORDERS** that until the Sale Termination Date, the Consultant shall have the right to use, without interference by any Person (including any licensor), all licenses and rights granted to the Company to use trade names, trademarks, logos, copyrights or other intellectual property of any Person, solely for the purpose of advertising and conducting the Sale of the Merchandise and FF&E in accordance with the terms of the Consulting Agreement, the Sale Guidelines, and this Order.

#### **CONSULTANT LIABILITY**

15. **THIS COURT ORDERS** that the Consultant shall act solely as an independent consultant to the Company and that it shall not be liable for any claims against the Company other than as expressly provided in the Consulting Agreement (including the Consultant's indemnity obligations thereunder) or the Sale Guidelines and, for greater certainty:

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

liabilities whatsoever (including without limitation losses, costs, damages, fines or awards); and

- (c) subject to and without limiting the Consultant's indemnification of the Company pursuant to the Consulting Agreement, the Consultant shall bear no 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 occurring at the Stores during and after the term of the Sale, or otherwise in connection with the Sale, 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, supervisors, independent contractors, agents or other representatives, or otherwise in accordance with the Consulting Agreement.

16. **THIS COURT ORDERS** that, to the extent (a) any Landlord has a claim against the Company arising solely out of the conduct of the Consultant in conducting the Sale; and (b) the Company has a claim against the Consultant under the Consulting Agreement arising from such conduct, the Company shall be deemed to have assigned such claim against the Consultant under the Consulting Agreement free and clear to the applicable Landlord (the "**Assigned Landlord Rights**"); provided that, each such Landlord shall only be permitted to advance the Assigned Landlord Rights against the Consultant if written notice, including the reasonable details of such claim, is provided by such Landlord to the Consultant, the Company and the Proposal Trustee during the period commencing on the Sale Commencement Date and ending on the date that is thirty (30) days following the Sale Termination Date; provided, however, that, the Landlords shall be provided with access to the Stores to inspect the Stores within fifteen (15) days following the Sale Termination Date.

#### **CONSULTANT AN UNAFFECTED CREDITOR**

17. **THIS COURT ORDERS** that the Consulting Agreement shall not be repudiated, resiliated or disclaimed by the Company nor shall the claims of the Consultant pursuant to the Consulting Agreement be compromised or arranged pursuant to proposal or plan of arrangement

or compromise among the Company and its creditors (a “**Proposal**”) and, for greater certainty, the Consultant shall be treated as an unaffected creditor in these proceedings and under any Proposal.

18. **THIS COURT ORDERS** that the Company is hereby authorized and directed, in accordance with the Consulting Agreement, to remit all amounts that become due to the Consultant thereunder.

19. **THIS COURT ORDERS** that no Encumbrances shall attach to any amounts payable or to be credited or reimbursed to, or retained by, the Consultant pursuant to the Consulting Agreement, including without limitation, any amounts to be reimbursed by the Company to the Consultant pursuant to the Consulting Agreement, and at all times the Consultant will retain such amounts, free and clear of all Encumbrances, notwithstanding any enforcement or other process or Claims, all in accordance with the Consulting Agreement.

20. **THIS COURT ORDERS** that notwithstanding:

- (a) the pendency of these proceedings;
- (b) any application for a bankruptcy or receivership order now or hereafter issued pursuant to the BIA in respect of the Company, or any bankruptcy or receivership order made pursuant to any such applications;
- (c) any assignment in bankruptcy made in respect of the Company;
- (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 document (including, without limitation, the Accommodation Agreement and the Financing Agreement), lease, mortgage, security agreement, debenture, sublease, offer to lease or other document or agreement to which the Company is a party;

the Consulting Agreement and the transactions and actions provided for and contemplated therein, including without limitation, the payment of amounts due to the Consultant and the Assigned

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

21. **THIS COURT ORDERS** that the Company is authorized and permitted to transfer to the Consultant personal information in the Company's custody and control solely for the purposes of assisting with and conducting the Sale and only to the extent necessary for such purposes, and the Consultant is hereby authorized to make use of such personal information solely for the purposes as if it were the Company, subject to and in accordance with the Consulting Agreement.

#### **WAGE EARNER PROTECTION PROGRAM ACT**

22. **THIS COURT ORDERS** that pursuant to subsections 5(1)(b)(iv) and 5(5) of the *Wage Earner Protection Program Act* (Canada), S.C. 2005, c. 47, s. 1 ("**WEPPA**"), the Company and its employees, upon termination, meet the criteria prescribed by Section 3.2 of the *Wage Earner Protection Program Regulations*, SOR/2008-222 and each of the Company's employees are eligible, or will be eligible upon termination, to receive payments under and in accordance with WEPPA following the termination of their employment.

#### **GENERAL**

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

24. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, agency or regulatory or administrative bodies, having jurisdiction in Canada, the United States of America or any other jurisdiction, to give effect to this Order and to assist the Company, the Proposal Trustee and their respective agents in carrying out the terms of this Order. All courts, tribunals, agencies and regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Company and to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant



representative status to the Proposal Trustee in any foreign proceeding, or to assist the Company and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

25. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Time on the date of this Order without the need for entry or filing.

*Let the order issue in accordance  
with the terms  
" Wilton-Siegel J. "*

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**SCHEDULE "A"**  
**SALE GUIDELINES**

See attached.

## SALE GUIDELINES

Capitalized terms used but not defined in these Sale Guidelines shall have the meanings ascribed to them in the Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated November 10, 2023 (as amended and restated from time to time, the “**Extension Order**”) made in the proposal proceedings involving Bad Boy Furniture Warehouse Limited (the “**Merchant**”) under the *Bankruptcy and Insolvency Act* (“**BIA**”) and the Liquidation Sale Approval Order (as defined below), as applicable.

The following procedures shall apply to the sale (the “**Sale**”) of merchandise, inventory, and furniture, fixtures and equipment at the Merchant’s retail stores (individually, a “**Store**” and, collectively, the “**Stores**”).

1. Except as otherwise expressly set out herein, and subject to: (i) the Order of the Court dated November 17, 2023, approving, *inter alia*, the liquidation consulting agreement between the Merchant and Infinity Asset Solutions Inc. (the “**Consultant**”) dated as of November 13, 2023 (as amended and restated from time to time, the “**Consulting Agreement**”) and the transactions contemplated thereunder (the “**Liquidation Sale Approval Order**”); (ii) the terms of the Extension Order; (iii) any further Order of the Court; and/or (iv) any subsequent written agreement between the Merchant and its Landlord(s) and approved by the Consultant, the Sale shall be conducted in accordance with the terms of the real property lease in respect of the Store (each 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 any applicable Lease.
2. The Sale shall be conducted so that each Store remains open during its normal hours of operation provided for in its respective Lease, until the respective Sale Termination Date (as defined below) of each Store. The Sale at the Stores shall end by no later than February 15, 2024 (such date, or such other date as determined in accordance with the Liquidation Sale Approval Order, the “**Sale Termination Date**”). Rent payable under the Leases shall be paid in accordance with the Extension Order until the effective date of the disclaimer of the applicable Lease pursuant to a Notice of Disclaimer.
3. The Sale shall be conducted in accordance with applicable federal, provincial and municipal laws and regulations, unless otherwise set out herein or 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 a “everything on sale”, “everything must go”, “store closing” and/or similar theme sale at the Stores (provided however that no signs at the Stores shall advertise the Sale as a “bankruptcy”, a “liquidation” or a “going out of business” sale). Forthwith upon request from a Landlord, the Landlord’s counsel, the Merchant or the Proposal Trustee, the Consultant shall provide the proposed signage packages along with proposed dimensions by e-mail to the applicable Landlords or to their counsel of record and the applicable Landlord shall notify the Consultant of any requirement for such signage to otherwise comply with the terms of the Lease and/or these Sale Guidelines and 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 signs or any handwritten signage (save that handwritten “you pay” or “topper” signs may be used). If a Landlord is concerned

“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 Merchant, the Consultant and the Landlord will work together to resolve the dispute. Furthermore, with respect to enclosed mall Store locations without a separate entrance from the exterior of the enclosed mall, no exterior signs or signs in common areas of a mall shall be used unless explicitly permitted by the applicable Lease and shall otherwise be subject to all applicable laws. In addition, the Consultant shall be permitted to utilize exterior banners/signs at stand alone, strip mall or enclosed mall Store locations with a separate entrance from the exterior of the enclosed mall; provided, however, that: (i) no signage in any other common areas of a mall shall be used; and (ii) where such banners are not explicitly permitted by the applicable Lease and the Landlord requests in writing that 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. 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 facade 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.

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 any shopping centre or mall premises.
6. The Consultant shall be entitled to include additional merchandise of the Merchant in the Sale; provided that: (i) the additional merchandise is currently in the possession or control of the Merchant (including in any warehouse premises used by the Merchant) or has previously been ordered by or on behalf of the Merchant and is currently in transit to the Merchant (including any warehouse premises used by the Merchant) or a Store; and (ii) the additional merchandise is of like kind and category and no lesser quality to the merchandise in the Stores at the commencement of the Sale.
7. Conspicuous signs shall be posted in the cash register areas of each of the Stores to the effect that all sales are “final” and customers with any questions or complaints are to call the Merchant’s customer care number.
8. The Consultant shall not distribute handbills, leaflets or other written materials to customers outside of any of the Stores on Landlord’s property, unless explicitly 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 explicitly permitted under the applicable Lease or agreed to by the Landlord, and no advertising trucks shall be used on Landlord property or mall ring roads, except as explicitly permitted under the applicable Lease or agreed to by the Landlord.
9. As used in these Sale Guidelines, the “**FF&E Removal Period**” shall mean the period between (a) the end of the Sale Term, and (b) the effective date of the disclaimer of the applicable Lease pursuant to a Notice of Disclaimer. At the conclusion of the Sale and the FF&E Removal Period, if any, 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 the FF&E (as defined below)) may be removed without the applicable Landlord's written consent unless otherwise provided by the applicable Lease and in accordance with the Liquidation Sale Approval Order. Any trade fixtures or personal property left in a Store after the conclusion of the Sale and the applicable FF&E Removal Period, if any, 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. Nothing in this paragraph shall derogate from or expand upon the Consultant's obligations under the Consulting Agreement. Notwithstanding the foregoing, the Merchant shall only abandon FF&E if: (i) the applicable Landlord has consented thereto; (ii) such abandonment is not prohibited under the applicable Lease; or (iii) upon further Order of the Court.

10. Subject to the terms of paragraph 9 above, the Consultant may also sell existing furniture, fixtures and equipment located in the Stores during the Sale and the FF&E Removal Period, owned by the Merchant (collectively, the "FF&E"). For greater certainty, FF&E does not include any portion of a Store's mechanical, electrical, plumbing, security, HVAC, sprinkler, fire suppression, or fire alarm systems (including related fixtures and affixed equipment). The Merchant and the Consultant may advertise the sale of the FF&E consistent with these Sale Guidelines on the understanding that the Landlord may require such signs to be placed in discreet locations within the Stores reasonably acceptable to the Landlord. Additionally, the purchasers of any FF&E sold during the Sale shall only be permitted to remove the FF&E either through the back shipping areas designated by the Landlord or through other areas after regular Store business hours or, through the front door of the Store during Store business hours if the FF&E can fit in a shopping bag with Landlord's supervision if required by the Landlord and in accordance with the Liquidation Sale Approval Order. The Consultant shall repair any damage to the Stores resulting from the removal of any FF&E or personal property of the Merchant by the Consultant or by third party purchasers of FF&E or personal property from the Consultant.
11. The Consultant shall not make any alterations to interior or exterior Store lighting, except as authorized pursuant to the affected Lease. The hanging of exterior banners or other signage, where permitted in accordance with the terms of these Sale Guidelines, shall not constitute an alteration to a Store.
12. The Merchant hereby provides notice to the Landlords of the Merchant's and the Consultant's intention to sell and remove FF&E from the Stores. The Consultant shall make commercially reasonable efforts to arrange with each Landlord represented by counsel on the Service List and with any other Landlord that so requests, a walk-through with the Consultant to identify any FF&E that is subject to the Sale. The relevant Landlord shall be entitled to have a representative present in the applicable Stores 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) business days' notice to such Landlord and the Proposal Trustee. If the Merchant has disclaimed the Lease governing such Store in accordance with the BIA, 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 Extension Order or

the BIA), and the disclaimer of the Lease shall be without prejudice to the Merchant's or the Consultant's claim to the FF&E in dispute.

13. If a notice of disclaimer of Lease is delivered to a Landlord pursuant to the BIA while the Sale is ongoing and the Store in question has not yet been vacated, then: (i) during the notice period prior to the effective date of the disclaimer, the Landlord may show the affected Store to prospective tenants during normal business hours, on giving the Merchant, the Proposal Trustee and the Consultant at least twenty-four (24) hours' prior written notice; and (ii) at the effective date of the disclaimer, 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 or any of its affiliates in respect of such Lease or Store; provided that, nothing herein shall relieve such Landlord of any obligation to mitigate any damages claimed in connection therewith.
14. 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 Landlords shall have access rights to the Stores as provided for in the applicable Lease (subject, for greater certainty, to any applicable stay of proceedings and the terms of the Extension Order).
15. The Merchant and the Consultant shall not conduct any "in person" live auctions of Merchandise or FF&E at any of the Stores. Notwithstanding the foregoing, the Merchant or the Consultant may conduct online auctions of Merchandise or FF&E located at any of the Stores during the Sale.
16. The Consultant shall designate a party to be contacted by the Landlords should a dispute arise concerning the conduct of the Sale. If the parties are unable to resolve the dispute between themselves, the Landlord or the 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 and the Proposal Trustee, during which time the Consultant shall suspend all activity in dispute other than activities expressly permitted herein, pending determination of the matter by the Court; provided, however, subject to paragraph 4 of these Sale Guidelines, if a banner has been hung in accordance with these Sale Guidelines and is the subject of a dispute, the Consultant shall not be required to take any such banner down pending determination of any dispute.
17. Nothing herein or in the Consulting Agreement is, or shall be deemed to be, a sale, assignment or transfer of any Lease to the Consultant nor a consent by any Landlord to the sale, assignment or transfer of any Lease, or shall, or shall be deemed to, or grant to the Landlord any greater rights in relation to the sale, assignment or transfer of any Lease than already exist under the terms of any such Lease.
18. These Sale Guidelines may be amended on a Store-by-Store basis, by written agreement between the Merchant, the Consultant, and the applicable Landlord, with the consent of the Proposal Trustee; provided however, that such amended Sale Guidelines shall not affect or bind any other Landlord not privy thereto without further Order of the Court approving such amended Sale Guidelines.
19. The provisions of these Sale Guidelines applicable to the conduct of the Sale at the Stores (including, without limitation, provisions with respect to online auctions) shall also apply,

*mutatis mutandis*, to any Sale undertaken at the Merchant's warehouse located at 3550 Sideline 24, Pickering, Ontario, where such warehouse Sale is undertaken (a) in accordance with the terms of the applicable lease, (b) with the consent of the applicable landlord, or (c) pursuant to further Order of the Court.

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF BAD BOY FURNITURE WAREHOUSE LIMITED IN THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO

Court File No.: BK-23-03008133-0031  
Estate / Court File No. 31-3008133

**ONTARIO**

**SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)  
IN BANKRUPTCY AND INSOLVENCY**

Proceeding commenced at Toronto

**LIQUIDATION APPROVAL ORDER**

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