

SUPERIOR COURT
(Commercial Division)

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTRÉAL

No: 500-11-057470-193

No: 500-11-057469-195

DATE: November 15, 2019

PRESENT: THE HONOURABLE CHANTAL CORRIVEAU

IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF:

Bouclair Inc.

- and-

Bouclair International Inc.

Debtors/Petitioners

- and-

Deloitte Restructuring Inc.

Proposal Trustee

-and-

Gordon Brothers Canada ULC

Proposed Liquidator

-and-

National Bank of Canada

Principal Secured Creditor

-and-

Aljusa Investments Inc.

Subordinated Secured Creditor

-and-

AST Trust Company (Canada)

In its Capacity as Agent of certain Subordinated Secured Creditors

-and-

The Affected Parties listed on Schedule "A"

Mis-en-cause

LIQUIDATION ORDER

ON READING the *Motion for the Issuance of an Order (i) Creating Super-Priority Charges, (ii) Approving a Consulting Agreement and (iii) Approving Related Relief* (the "**Motion**") filed by the Petitioners, Bouclair Inc. and Bouclair International Inc. (the "**Petitioners**"), including the exhibits thereto and the affidavit of Mr. Lionel Trombert in support thereof, as well as the report of Deloitte Restructuring Inc. (the "**Proposal Trustee**") in support thereof, and being advised that the interested parties were given prior notice of the presentation of the Motion;

GIVEN the submissions of all the parties present at the hearing on the Motion;

GIVEN the filing by the Petitioners of the *Notices of Intention to Make a Proposal* ("**NOIs**") under the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the "**BIA**");

GIVEN the provisions of the BIA;

FOR THESE REASONS, THE COURT HEREBY:

1. **GRANTS** the Motion;

SERVICE AND DEFINITIONS

2. **DECLARES** that sufficient prior notice of the presentation of this Motion has been given by the Petitioners to the interested parties who are likely to be affected by the charges created herein;
3. **ORDERS** that capitalized terms used and not defined herein have the same meaning ascribed to them in the Consulting Agreement (as defined below) and the Sale Guidelines (as defined below);

APPROVAL OF THE CONSULTING AGREEMENT

4. **ORDERS** that the Consulting Agreement between Bouclair Inc. ("**Bouclair**") and Gordon Brothers Canada ULC (the "**Consultant**") appended to the Motion as Exhibit P-18 (the "**Consulting Agreement**") and the transactions contemplated in it, including the sale guidelines attached hereto as **Schedule "B"** (the "**Sale Guidelines**"), are hereby approved, authorized and ratified with such minor amendments as Bouclair (with the consent of the Proposal Trustee) and the Consultant may agree to in writing. Subject to the provisions of this Order, Bouclair and the Proposal Trustee are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable to implement the Consulting Agreement and each of the transactions contemplated therein;

APPROVAL OF THE SALE

5. **ORDERS** that Bouclair, with the assistance of the Consultant, is authorized and directed to conduct the Sale (as defined in the Consulting Agreement) in accordance with this Order, the Consulting Agreement and the Sale Guidelines and to advertise and promote the Sale within the Stores (as defined in the Consulting Agreement) in accordance with the Sale Guidelines. If there is a conflict between this Order, the Consulting Agreement and the Sale Guidelines,

the order of priority of documents to resolve each conflict is as follows: (1) this Order; (2) the Sale Guidelines; and (3) the Consulting Agreement;

6. **ORDERS** that Bouclair, with the assistance of the Consultant, is authorized to market and sell the Merchandise and FF&E (as such terms are defined in the Consulting Agreement) in accordance with the Consulting Agreement and the Sale Guidelines, and all rights, title and interest in and to the Merchandise and FF&E shall vest absolutely and exclusively in and with their respective purchaser(s), free and clear of and from any and all claims, liabilities (direct, indirect, absolute or contingent), obligations, interests, prior claims, security interests (whether contractual, statutory or otherwise), liens, charges (including the Administrative Charge, the First and Second Tranche D&O Charge and the CRO Charge, as such terms are defined in the Order issued by this Court on November 12, 2019), and any other charges hereafter granted by this Court in these proceedings, hypothecs, mortgages, pledges, deemed trusts, assignments, judgments, executions, writs of seizure or execution, notices of sale, options, adverse claims, levies, rights of first refusal or other pre-emptive rights in favor of third parties, restrictions on transfer of title, or other claims or encumbrances, whether or not they have attached or been perfected, registered, published or filed and whether secured, unsecured or otherwise (collectively, the “**Encumbrances**”), including, without limiting the generality of the foregoing, all charges, security interests or charges evidenced by registration, publication or filing pursuant to the *Civil Code of Quebec*, or any other applicable legislation providing for a security interest in personal or movable property, and, for greater certainty, **ORDERS** that all of the Encumbrances affecting or relating to the Merchandise and FF&E, be expunged and discharged as against the Merchandise and FF&E, in each case effective as of the sale of the Merchandise and FF&E, which Encumbrances will attach instead to the proceeds received from the sale of the Merchandise and FF&E (other than amounts specified in paragraph 19 of this Order) in the same order and priority as the Encumbrances existed as at the date hereof;
7. **ORDERS** that, with the exception of the amounts due and payable to the Consultant by Bouclair under the Consulting Agreement, which shall be paid weekly in accordance with the Consulting Agreement, Bouclair shall distribute the proceeds of the sale of the Merchandise and FF&E in the same order and priority as the Encumbrances that exist as at the date hereof;
8. **ORDERS** that until the Sale Termination Date (as defined in the Consulting Agreement and which shall in no event be later than December 29, 2019), the Consultant shall have the right to use, without interference by any intellectual property licensor, Bouclair’s trademarks, trade names and logos, customer/marketing lists, website and social media accounts as well as all licenses and rights granted to Bouclair to use the trade names, and logos of third parties, relating to and used in connection with Bouclair’s operations solely for the purpose of advertising and conducting the Sale in accordance with the terms of the Consulting Agreement, the Sale Guidelines and this Order;
9. **ORDERS** that subject to the terms of this Order, or any greater restrictions in the Consulting Agreement or the Sale Guidelines, the Consultant shall have the right to enter and use the Stores and all related store services and all facilities and all

furniture, trade fixtures and equipment, including the FF&E, located at the Stores, and other assets designated under the Consulting Agreement, for the purpose of conducting the Sale, and **DECLARES** that for such purpose the Consultant shall have the benefit of a stay that is equivalent to the stay provided in favour of Bouclair pursuant to sections 69(1) of the BIA;

10. **ORDERS** that until the Sale Termination Date for each Store, the Consultant shall have access to the Stores in accordance with the applicable Leases (as such term is defined in the Sale Guidelines) and the Sale Guidelines on the basis that the Consultant is assisting Bouclair and Bouclair has granted the right of access to the Store to the Consultant. To the extent that the terms of the applicable Leases may be in conflict with any term of this Order or the Sale Guidelines, this Order and the Sale Guidelines shall govern in the order of priority of documents as follows: (1) this Order; and (2) the Sale Guidelines;
11. **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 Bouclair or the Consultant any additional restrictions not contained in the applicable Lease or other occupancy agreement;
12. **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 (as defined in the BIA) other than Bouclair and the Proposal Trustee as provided in the Consulting Agreement or a Landlord (as defined in the Sale Guidelines) as provided under the Sale Guidelines;

DEPOSIT PROTECTIONS

13. **ORDERS** that Bouclair is authorized, *nunc pro tunc*, to pay the Deposit (as defined in the Consulting Agreement) to the Consultant in accordance with the terms of the Consulting Agreement, and **DECLARES**, without limiting the generality of paragraph 19 hereof, that the Deposit shall be free of all Encumbrances and Consultant shall be entitled to retain and apply the Deposit in accordance with the terms of the Consulting Agreement without claim or interference by any creditor, trustee in bankruptcy or other stakeholder of Bouclair, notwithstanding any enforcement or other process, and without leave or further order of this Court;
14. **ORDERS** that Bouclair shall not grant any Encumbrances in or against the Deposit;

BDC FIRST-RANKING SECURITY

15. **ORDERS** that with respect to certain movable assets located at the Anjou Store over which the Business Development Bank of Canada ("**BDC**") has registered a first-ranking security interest, BDC will be granted a 10 day period pursuant to a written notice from the Petitioners to remove same from the premises for the purpose of realizing on its security, if it deems appropriate, before Bouclair and/or the Consultant can abandon it to the Landlord, the whole notwithstanding the

provisions of the Sale Guidelines in **Schedule "B"** attached hereto, and **ORDERS** further that the Petitioners shall, upon issuing a lease resiliation notice in respect of the Anjou Store, provide a copy of said resiliation notice to BDC.

CONSULTANT LIMITED LIABILITY

16. **ORDERS** that the Consultant shall act solely as an independent consultant to Bouclair and that it shall not be liable for any claims against Bouclair other than as expressly provided in the Consulting Agreement 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, the property located therein or associated therewith including the Merchandise and the FF&E, or of Bouclair's employees or any other property of Bouclair;
 - b. The Consultant shall not be deemed to be an employer, or a joint or successor employer or a related or common employer or payor within the meaning of any legislation governing employment or labour standards or pension benefits or health and safety or other statute, regulation or rule of law or equity for any purpose whatsoever, and shall not incur any successorship liabilities whatsoever; and
 - c. Bouclair shall bear all 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 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 willful misconduct of the Consultant, its employees, agents or other representatives, or otherwise in accordance with the Consulting Agreement;

CONSULTANT AS UNAFFECTED CREDITOR

17. **ORDERS** that (i) the Consulting Agreement shall not be repudiated, resiliated or disclaimed by Bouclair, (ii) in accordance with section 69.4 of the BIA, the Consultant shall not be affected by the stay of proceedings in respect of Bouclair and shall be entitled to exercise its rights and remedies under the Consulting Agreement including in respect of claims of the Consultant pursuant to the Consulting Agreement (collectively, the "**Consultant's Claims**"), and (iii) the Consultant's Claims shall not be compromised, arranged or discharged pursuant to any proposal or plan of compromise or arrangement by or in respect of Bouclair, and the Consultant shall be treated as an unaffected creditor in the context of the present proceedings and in any proposal, arrangement, receivership or bankruptcy;
18. **ORDERS** that Bouclair is hereby authorized and directed to remit, in accordance with the Consulting Agreement, all amounts that become due to the Consultant thereunder;

19. **ORDERS** that no Encumbrances shall attach to any amounts payable or to be credited or reimbursed by Bouclair to the Consultant pursuant to the Consulting Agreement, including any amounts that must be reimbursed by Bouclair to the Consultant, and Bouclair shall pay any such amounts to the Consultant free and clear of all Encumbrances, notwithstanding any enforcement or other process, all in accordance with the Consulting Agreement;
20. **ORDERS** that notwithstanding:
 - a. the pendency of these proceedings;
 - b. any application for a bankruptcy order, receivership order or interim receivership order now or hereafter issued pursuant to the BIA in respect Bouclair, or any order made pursuant to any such applications;
 - c. any assignment in bankruptcy made or deemed to have been made in respect of Bouclair;
 - d. any proceedings undertaken in respect of Bouclair under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the "**CCAA**");
 - e. the provisions of any federal or provincial statute; or
 - f. any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of encumbrances, contained in any existing loan documents, lease, mortgage, security agreement, debenture, sublease, offer to lease or other document or agreement which binds Bouclair;

the Consulting Agreement and the transactions and actions provided for and contemplated therein, including, without limitation, the payment of amounts due to the Consultant, shall be binding on any trustee in bankruptcy, CCAA monitor, receiver, receiver and manager or interim receiver that may be appointed in respect of Bouclair and shall not be void or voidable by any Person (as defined in the BIA), including any creditor of Bouclair, nor shall they, or any of them, constitute or be deemed to be a preference, fraudulent conveyance, transfer at undervalue or other challengeable reviewable transaction, under the BIA or any applicable law, nor shall they constitute oppressive or unfairly prejudicial conduct under any applicable law.

PAYMENT OF RENT

21. **ORDERS** that until a real property or immovable lease is disclaimed or resiliated in accordance with the BIA, the Petitioners shall pay all amounts constituting rent or payable as rent under real property or immovable leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Petitioners and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, or the immediately following business day if that day is not a business day, in advance (but not in arrears). On the date of the first of such payments, any Rent relating

to the period commencing from and including the date of the NOIs shall also be paid;

OTHER

22. **ORDERS** that Bouclair is authorized and permitted to transfer to the Consultant personal information in Bouclair's custody and control solely for the purposes of assisting with and conducting the Sale and only to the extent necessary for such purposes;

GENERAL

23. **ORDERS** that the Consulting Agreement (Exhibit P-18 to the Motion) be kept confidential and under seal until further order of this Court;
24. **DECLARES** that this Order shall have full force and effect in all provinces and territories in Canada;
25. **DECLARES** that the Debtors shall be authorized to apply as it may consider necessary or desirable, with or without notice, to any other court or administrative body, whether in Canada, the United States of America or elsewhere, for orders which aid and complement the Order. All courts and administrative bodies of all such jurisdictions are hereby respectfully requested to make such orders and to provide such assistance to the Debtors as may be deemed necessary or appropriate for that purpose;
26. **REQUESTS** the aid and recognition of any court or administrative body in any Province of Canada and any Canadian federal court or administrative body and any federal or state court or administrative body in the United States of America and any court or administrative body elsewhere, to act in aid of and to be complementary to this Court in carrying out the terms of the Order;
27. **ORDERS** the provisional execution of the present Order notwithstanding any appeal and without the requirement to provide any security or provision for costs whatsoever;
28. **THE WHOLE** without costs.


CHANTAL CORRIVEAU, J.C.S.

SCHEDULE "A"

AFFECTED PARTIES

A. PARTIES WITH SECURITY INTERESTS REGISTERED ON SPECIFIC STORES

1. Business Development Bank of Canada (Anjou Store)
2. Riotrin Properties (Kirkland) Inc. (Kirkland Store)
3. Riocan Holdings (Québec) Inc. (Lévis Store)
4. Place du Royaume Inc. (Chicoutimi Store)
5. Riocan Holdings (Brossard) Inc. (Brossard Store)
6. 9224-1892 Québec Inc. (Brossard Store)
7. 9171-9922 Québec Inc. (Brossard Store)
8. Vaudreuil Shopping Centres Limited (Vaudreuil Store)
9. Desjardins Sécurité Financière, Compagnie d'assurance-vie et Fonds Immobilier Cogir 1, Société en commandite (Neufchatel Store)
10. Peterborough Retail Portfolio LP (Peterborough Store)

B. CLOSING STORES LANDLORDS

1. 9045-4737 Quebec Inc. (Rosemère Store)
2. 9230-1860 Quebec Inc. (Jonquière Store)
3. Société de gestion Cogir, s.e.n.c. (Arthabaska Store)
4. Calloway REIT (Sarnia) Inc. (Sarnia Store)
5. Calloway REIT (Stouffville) Inc. (Stouffville Store)
6. Fonds immobilier Cogir I, société en commandite (Neufchatel Store)
7. Quartier KS Laval Inc. (Quartier Laval Store)
8. Riotrin Properties (Kirkland) Inc. (Kirkland Store)
9. Calloway REIT (Chatham) Inc. (Chatham Store)
10. First Capital (Peterborough) Corporation (Peterborough Store)
11. Sudbury South Shopping Centres Limited (Sudbury South Store)
12. Calloway REIT (Woodside) Inc. (Markham Store)
13. First Capital Holdings (Quebec) Corporation Inc. (Vanier Store)
14. Lacewoods Developments Limited (Bayer's Lake Store)
15. Dartmouth Crossing 2 Limited (Dartmouth Store)
16. Riocan (Clarkson) Inc. (South Mississauga Store)
17. Riotrin Properties (Weston) Inc. (Weston St-Clair Store)
18. Calloway Reit Harmony Inc. (Oshawa Store)
19. Harvard Developments Inc. (Regina Store)
20. Riotrin Properties (Fredericton) Inc. (Fredericton Store)
21. 1651051 Alberta Ltd. (Grande Prairie Store)
22. Riocan Property Services Trust (Calgary Beacon Hill Store)
23. Riotrin Properties Inc. (Calgary Signal Hill Store)
24. 1451945 Ontario Limited (Edmonton Mayfield Common Store)
25. First Capital (Southpark) Corporation (Edmonton South Park Centre Store)
26. Anthem Heritage Hill Ltd. (Calgary Heritage Hill Store)
27. 1445006 Alberta Ltd. (Edmonton Sherwood Park Store)

28. 1090 Lougheed Highway Limited Partnership (Vancouver Coquitlam Store)
29. First Capital (Anjou) Corporation Inc. (Anjou Store)

C. OPTION STORES LANDLORDS

1. Ivanhoé Cambridge Inc. (Jean-Talon Store)
2. Cominar Real Estate Investment Trust (Shawinigan Store)
3. MCM Real Estate Trust (Marché Central Store)
4. Ivanhoé Cambridge Inc. (Laurier Store)
5. Calloway REIT (Westridge) Inc. (Vaughan Store)
6. Iberville Developments Leasing Ltd. (Candiac Store)

D. OTHER STORES LANDLORDS

1. Calloway REIT (Laval) Inc. (Ste-Dorothée Store)
2. Calloway REIT (Mascouche) Inc. (Mascouche Store)
3. 650 Wellington Investments Ltd. (Lasalle Store)
4. Le Carrefour Laval (2013) Inc. (Carrefour Laval Store)
5. 8649162 Canada Inc. (Rimouski Store)
6. Plaza Master G.P. Limited (Rivière-du-Loup Store)
7. Trinity Property Services Inc. (Merival Store)
8. Cogir in Trust – Trois Rivières O. (Trois-Rivières Ouest Store)
9. RPS ITF Trinity Common Brampton (Brampton Store)
10. Riokim Holdings (Ontario) Inc. (Sudbury Store)
11. Yonge Bayview Holdings Inc. (Richmond Hill)
12. Cominar REIT (Beauport Store)
13. 8649162 Canada Inc. (Granby Store)
14. Centre d'achat Boulevard (Drummondville Store)
15. Ontrea Inc. (St-Bruno Store)
16. CREIT Management Limited (Hull Store)
17. A.N.Y. Investments Inc. (Barrie Store)
18. Cushman & Wakefield Asset Services (Waterloo Store)
19. Crombie Property Holdings Limited (Burlington Store)
20. Calloway REIT (Développement Port) Inc. (St-Jérôme Store)
21. Développements Laval Papineau Ltée (Duvernay Store)
22. Centrecorp Management Services Limited (Carrefour de la Rive Sud Store)
23. OPGI Management Ltd. Partnership (La Capitale Store)
24. Investissements R.D.P. Inc. (St-Georges de Beauce Store)
25. First Milton Shopping Centres Ltd. (Milton Store)
26. Quartier Dix30 Management LP (Brossard Store)
27. Calloway REIT (Orleans) Inc. (Orleans South Store)
28. Vaudreuil Shopping Centres Limited (Vaudreuil Store)
29. Calloway REIT (St-Jean-Richelieu) Inc. (St-Jean Nord Store)
30. Faubourg Boisbriand (Boisbriand Store)
31. Skyline Commercial Management Ltd. (Windsor Store)
32. CREIT Management Limited (Duplessis Store)
33. Calloway REIT (St. Catharines) Inc. (St Catharines Store)
34. Centre de l'Estrie Inc. (Sherbrooke Store)
35. Beauward Real Estate Inc. (Joliette Store)
36. Société de gestion Cogir s.e.n.c. (Lévis Store)

37. OPB (EMTC) Inc. (Erin Mills Store)
38. 1663321 Ontario Inc. and 1414614 Ontario Inc. (Trainyards Store)
39. Lachenaie Terrebonne Shopping Centre (Lachenaie Store)
40. RPS-ITF Gatineau (Gatineau Ouest Store)
41. Westwood Power Centre Inc. (London South Store)
42. Yulee Developments Inc. (Newmarket Store)
43. RPS ITF Grant Crossing (Kanata Store)
44. RMI ITF Hamilton Wal-Mart Center (Hamilton Rymal Store)
45. Rio Kim Holdings (Ontario) Inc. (Whitby South Store)
46. The INCC Corp. (Kitchener Store)
47. Place du Royaume Inc. (Chicoutimi Store)
48. Plaza Master G.P. Limited (Bedford Store)
49. Crombie Developments Limited (Avalon Mall Store)
50. Calloway REIT (Etobicoke-Index) Inc. (Etobicoke Store)
51. Beauward Real Estate Inc. (Ste-Hyacinthe Store)
52. SmartCentres REIT (Valleyfield) (Valleyfield Store)
53. ITF Seasons of Tuxedo (Winnipeg Store)
54. South Edmonton Common West (JV) (South Edmonton Common Store)
55. Canadian Property Holdings (Moncton) (Moncton Store)
56. Calloway REIT (Guelph) Inc. (Guelph Store)
57. 6914888 Canada Inc. (Deerfoot Meadows Store)
58. ITF Kowsar Holding Ltd. (South Surrey Store)

SCHEDULE "B"

SALE GUIDELINES

(See attached)

SALE GUIDELINES

The following procedures shall apply to any sales to be held at Bouclair Inc. ("**Bouclair**") retail stores designated in the Consulting Agreement (as defined below) (the "**Stores**"). Terms capitalized but not defined in these Sale Guidelines have the meanings ascribed to them in the Consulting Agreement.

1. Except as otherwise expressly set out herein, and subject to: (i) the Order of the Superior Court of Québec (Commercial Division) (the "**Court**") approving the Consulting Agreement between Gordon Brothers Canada ULC (the "**Consultant**") and Bouclair (the "**Consulting Agreement**") and the transactions contemplated thereunder (the "**Approval Order**"); or (ii) the provisions of the BIA and any further Order of the Court; or (iii) any subsequent written agreement between Bouclair and its applicable landlord(s) (individually, a "**Landlord**" and, collectively, the "**Landlords**") and approved by the Consultant, the Sale shall be conducted in accordance with the terms of the applicable leases and other occupancy agreements for each of the affected Stores (individually, a "**Lease**" and, collectively, the "**Leases**"). However, nothing contained herein shall be construed to create or impose upon Bouclair or the Consultant any additional restrictions not contained in the applicable Lease or other occupancy agreement.
2. The Sale shall be conducted so that each of the Stores remain open during their normal hours of operation provided for in the respective Leases for the Stores until the applicable premises vacate date for each Store under the Consulting Agreement (the "**Vacate Date**").
3. The Sale shall be conducted in accordance with applicable federal, provincial and municipal laws, unless otherwise 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" or similar theme sale at the Stores (provided however that no signs shall advertise the Sale as a "bankruptcy", a "liquidation" or a "going out of business" sale, it being understood that the French equivalent of "clearance" is "liquidation" and that "liquidation" is permitted to be used in French language signs). Forthwith upon request, the Consultant shall provide the proposed signage packages along with proposed dimensions by e-mail or facsimile 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 the Sale Guidelines and where the provisions of the Lease conflicts 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 with "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, Bouclair, the Consultant and the Landlord will work together to resolve the dispute. Nothing contained herein shall be construed to create or impose upon the Consultant any additional restrictions not

contained in the applicable Leases. In addition, the Consultant shall be permitted to utilize exterior banners/signs at stand alone or strip mall Stores 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) 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 Bouclair (subject to the indemnity provisions of the Consulting Agreement, as applicable). The Consultant shall not utilize any commercial trucks to advertise the Sale on Landlord's property or mall ring roads.

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 the shopping centre or mall premises.
6. Conspicuous signs shall be posted in the cash register areas of each Store to the effect that all sales are "final" and customers with any questions or complaints are to call Bouclair's hotline number.
7. 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.
8. At the conclusion of the Sale in each Store, the Consultant and Bouclair 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 Bouclair FF&E (as defined below) for clarity) may be removed without the Landlord's written consent unless otherwise provided by the applicable Lease and in accordance with the Approval Order. Any trade fixtures or personal property left in a Store after the applicable Vacate Date in respect of which the applicable Lease has been disclaimed by Bouclair 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.
9. Subject to the terms of paragraph 8 above, the Consultant shall sell furniture, fixtures and equipment owned by Bouclair ("**Bouclair FF&E**") and located in the Stores during the Sale. Bouclair and the Consultant may advertise the sale of

Bouclair 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 Bouclair FF&E sold during the Sale shall only be permitted to remove the Bouclair 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 Bouclair FF&E can fit in a shopping bag, with Landlord's supervision as required by the Landlord and in accordance with the Approval Order. Bouclair (subject to the indemnity provisions of the Consulting Agreement, as applicable) shall repair any damage to the Stores resulting from the removal of any Bouclair FF&E by Consultant or by third party purchasers of Bouclair FF&E.

10. 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.
11. Bouclair hereby provides notice to the Landlords of Bouclair and the Consultant's intention to sell and remove Bouclair FF&E from the Stores. The Consultant shall make commercially reasonable efforts to arrange with each Landlord that so requests, a walk-through with the Consultant to identify the Bouclair FF&E subject to the Sale. The relevant Landlord shall be entitled upon request 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 Bouclair FF&E under the provisions of the Lease, such Bouclair FF&E shall remain on the premises and shall be dealt with as agreed between Bouclair, the Consultant and such Landlord, or by further Order of the Court upon application by Bouclair on at least two (2) days' notice to such Landlord and the Proposal Trustee. If Bouclair has disclaimed or resiliated 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 BIA), and the disclaimer or resiliation of the Lease shall be without prejudice to Bouclair's or the Consultant's claim to the Bouclair FF&E in dispute.
12. If a notice of disclaimer or resiliation is delivered pursuant to the BIA to a Landlord while the Sale is ongoing and the Store in question has not yet been vacated, 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 Bouclair, the Proposal Trustee and the Consultant 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 Store without waiver of or prejudice to any claims or rights such Landlord may have against Bouclair 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.
13. The Consultant and its agents and representatives shall have the same access rights to the Stores as Bouclair under the terms of the applicable Lease, and the Landlords shall have the rights of access to the Stores during the Sale provided

for in the applicable Lease (subject, for greater certainty, to any applicable stay of proceedings).

14. Bouclair and the Consultant shall not conduct any auctions of Merchandise or Bouclair FF&E at any of the Stores.
15. The Consultant shall designate a party to be contacted by the Landlords should a dispute arise concerning the conduct of the Sale. The initial contact for Consultant shall be (i) Robinn Harris who may be reached by phone at (336) 468-7252 or email at rharris@navigategbrp.com. If the parties are unable to resolve the dispute between themselves, the Landlord or Bouclair 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, during which time the Consultant shall cease all activity in dispute other than activity 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.
16. Nothing herein or in the Consulting Agreement is or shall be deemed to be 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 than already exist under the terms of any applicable Lease.
17. These Sale Guidelines may be amended by written agreement between the Consultant, Bouclair and the applicable Landlord.
