

SUPERIOR COURT
(Commercial Division)

**CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL**

**NO.: 500-11-051309-165
ESTATE NO.: 41-2167491**

**NO.: 500-11-051309-165
ESTATE NO.: 41-2167491**

**NO.: 500-11-051311-161
ESTATE NO.: 41-2167485**

**NO.: 500-11-051310-163
ESTATE NO.: 41-2167490**

**NO.: 500-11-051312-169
ESTATE NO.: 41-2167495**

DATE: SEPTEMBER 27, 2016

PRESIDING: ~~Ms Chantal Flamand, registrar~~

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

**LE BARON OUTDOOR PRODUCTS LTD./
LE BARON PRODUITS DE PLEIN AIR LTÉE.**

**LE BARON OUTDOOR PRODUCTS (DUNDAS)
INC./LE BARON PRODUITS DE PLEIN AIR
(DUNDAS) INC.**

**LE BARON OUTDOOR PRODUCTS
(MISSISSAUGA) LTD.**

**LE BARON OUTDOOR PRODUCTS (TORONTO)
INC./LE BARON PRODUITS DE PLEIN AIR
(TORONTO) INC.**

Debtors/Petitioners

-and-

**RICHTER ADVISORY GROUP INC./
RICHTER GROUPE CONSEIL INC.**

Trustee

-and-

CONTINENTAL CAPITAL INVESTMENTS INC./
CONTINENTAL INVESTISSEMENTS CAPITAL INC.

Impleaded Party

ADVISORY AGREEMENT ORDER

- [1] **ON READING** the *Application for the Approval of an Advisory Agreement, Certain Charges, Administrative Consolidation of NOI Proceedings and Other Relief* (the "**Application**") of Le Baron Outdoor Products Inc. (the "**Debtor**") *et al.*, the affidavit and the exhibits in support thereof;
- [2] **CONSIDERING** the notification/service of the Application;
- [3] **CONSIDERING** the submissions of counsel;
- [4] **CONSIDERING** Section 64.2 of the *Bankruptcy and Insolvency Act, Canada* (the "**BIA**");
- [5] **CONSIDERING** that all secured creditors likely to be affected by the charge resulting from the orders herein have been notified of the Application;
- [6] **CONSIDERING** that it is appropriate to:
- i) authorize and ratify the "Advisory Agreement" executed by the Debtor and Continental Capital Investments Inc. ("**Continental**") on September 21, 2016 (the "**Advisory Agreement**") whereby Continental has agreed to provide the Debtor with advisory services in connection with and for the purpose of the Debtor's insolvency proceedings under the *BIA* (the "**Continental Services**"); and
 - ii) order a charge, ranking behind any hypothecs and security interests over any or all of the Debtor's property existing in favour of the Debtor's secured creditor (the "**BNS Security**"), The Bank of Nova Scotia ("**BNS**"), in order to secure Continental's remuneration provided under the Advisory Agreement in respect of the Continental Services (the "**Continental Remuneration**"), the whole pursuant to the terms and conditions of the Advisory Agreement.

THE COURT:

- [7] **GRANTS** the Application.

NOTIFICATION/SERVICE

- [8] **ORDERS** that any prior delay for the presentation of this Application is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further notification/service thereof.
- [9] **PERMITS** notification/service of this Order at any time and place and by any means whatsoever.

APPROVAL OF ADVISORY AGREEMENT AND CHARGE IN FAVOUR OF CONTINENTAL

- [10] **ORDERS** that the Advisory Agreement and the services contemplated therein and the terms and conditions thereof are hereby approved, authorized and ratified.
- [11] **ORDERS** that the Debtor be and is hereby authorized to enter into, execute and deliver and ratifies the Debtor's entering into, signing, delivery and execution of the Advisory Agreement in or substantially in the form of the Advisory Agreement produced under seal as Exhibit P-2 to the Application (as well as all future amendments thereto and replacements, restatements and renewals thereof) and such agreements and other definitive documents (collectively, the "**Advisory Agreement Documents**") as may be required by Continental in connection with its provision of the Continental Services, and that the Debtor is hereby authorized to perform all of its obligations under the Advisory Agreement Documents.
- [12] **ORDERS** and **DECLARES** that the Debtor's present and future assets, rights, undertakings and property, movable, personal, corporeal or incorporeal, tangible or intangible and wherever situate, including all proceeds thereof (the "**Property**") are hereby charged by and subject to a security and charge to the extent of the aggregate principal amount of \$350,000 in favour of Continental, as continuing and collateral security for the Continental Remuneration, having the priority established by paragraph [15] hereof (the "**Continental Charge**").

GENERAL PROVISIONS RELATING TO THE ADVISORY AGREEMENT

- [13] **DECLARES** that the Advisory Agreement shall be valid and opposable and shall not otherwise be limited, impaired or rendered ineffective in any way by: (i) these proceedings and any declaration of insolvency made herein; (ii) the making or filing by the Debtor of any proposal pursuant to the *BIA* (a "**Proposal**") or any plan of arrangement pursuant to the *Companies' Creditors Arrangement Act*, Canada (a "**Plan**"); or (iii) any petition for a receiving order filed pursuant to the *BIA* in respect of the Debtor or any receiving order made or deemed to be made pursuant to any such petition or any assignment in bankruptcy made or deemed to be made in respect of the Debtor.
- [14] **DECLARES** that the Advisory Agreement shall be valid and opposable against all persons, including, without limitation, any trustee in bankruptcy, court appointed monitor, receiver, receiver and manager or interim receiver of the Debtor, for all purposes.

PRIORITIES AND GENERAL PROVISIONS RELATING TO THE CHARGE

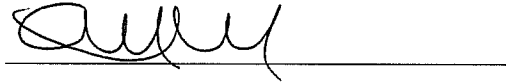
- [15] **ORDERS** and **DECLARES** that the priorities of the BNS Security and the Continental Charge, shall be as follows:
- (a) first, the BNS Security; and
 - (b) second, the Continental Charge, senior to and ahead of all hypothecs, prior charges, security interests, statutory deemed trusts (other than those created under express provisions of the *BIA*), liens, charges and encumbrances and any other rights of any nature or source (collectively the "**Encumbrances**") other than the BNS Security, all without any requirement of publication, registration, recording, filing or perfection in any jurisdiction whatsoever.

- [16] **DECLARES** that the Continental Charge shall attach, as of 12:01 a.m., Montreal time, province of Quebec, on the date of this Order, to the Property, notwithstanding any requirement for the consent of any party to any such charge or to comply with any condition precedent.
- [17] **DECLARES** that the Continental Charge shall subsist without necessity of any publication, registration, recording, filing or perfection.
- [18] **DECLARES** that the Continental Charge and the rights and remedies of the beneficiary of such Continental Charge shall be valid and enforceable and shall not otherwise be limited or impaired in any way by: **(i)** these proceedings and any declaration of insolvency made herein; **(ii)** any petition for a receiving order filed pursuant to the *BIA* in respect of the Debtor or any receiving order made or deemed to be made pursuant to any such petition or any assignment in bankruptcy made or deemed to be made in respect of the Debtor; or **(iii)** any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any agreement, lease, sub-lease, offer to lease or other arrangement which binds the Debtor (a "**Third Party Agreement**"), and notwithstanding any provision to the contrary in any Third Party Agreement:
- (a) the creation of the Continental Charge shall not create or be deemed to constitute a breach by the Debtor of any Third Party Agreement to which it is a party; and
 - (b) the beneficiary of the Continental Charge shall not have liability to any person whatsoever as a result of any breach of any Third Party Agreement caused by or resulting from the creation of such charge.
- [19] **DECLARES** that any claim of Continental pursuant to the Continental Charge shall not be compromised pursuant to these proceedings, any Proposal or Plan filed and the beneficiary of the Continental Charge, in such capacity, shall be treated as an unaffected creditor in these proceedings and in any Proposal or Plan.
- [20] **DECLARES** that notwithstanding: **(i)** these proceedings and any declaration of insolvency made herein, **(ii)** any petition for a receiving order filed pursuant to the *BIA* in respect of the Debtor and any receiving order allowing such petition or any assignment in bankruptcy made or deemed to be made in respect of the Debtor, and **(iii)** the provisions of any federal or provincial statute, the payments or disposition of Property made by the Debtor pursuant to this Order and the granting of the Continental Charge, do not and will not constitute settlements, fraudulent preferences, fraudulent conveyances or other challengeable or reviewable transactions or conduct meriting an oppression remedy under any applicable law.
- [21] **DECLARES** that the Continental Charge shall be valid and enforceable as against all Property and against all persons, including, without limitation, any trustee in bankruptcy, receiver, receiver and manager or interim receiver of the Debtor, for all purposes.
- [22] **ORDERS** the Registrar of the Register of Personal and Movable Real Rights of the province of Québec, upon application by Continental, to register in the *Registre des droits personnels et réels mobiliers* of the Province of Québec, the Continental Charge created by this Order against the Property situated in the province of Quebec.

GENERAL

- [23] **DECLARES** that this Order shall have full force and effect in all provinces and territories in Canada.
- [24] **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.
- [25] **ORDERS** the provisional execution of the present Order notwithstanding any appeal and without the requirement to provide any security or provision for costs whatsoever.

THE WHOLE WITHOUT COSTS.



KUGLER KANDESTIN LLP

Me Gerald F. Kandestin

Me Jeremy Cuttler

Attorneys for the Debtors/Petitioners