

No. B-230306
Estate No. 11-2959889
Division No. 03 – Vancouver
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE PROPOSAL OF
LA BICICLETTA BICYCLES INC.

ORDER MADE AFTER APPLICATION

(APPROVAL AND VESTING ORDER)

BEFORE THE HONOURABLE

Justice Lyster

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THURSDAY, THE 31st DAY OF
AUGUST, 2023

ON THE APPLICATION of the Applicant, La Bicicletta Bicycles Inc. (the "**Debtor**") coming on for hearing at Vancouver, British Columbia, on the 31st day of August, 2023; AND ON HEARING Ashley Bowron, counsel for the Debtor and those other counsel listed on **Schedule "A"** hereto; AND UPON READING the material filed, including Affidavit #1 of Graham Fox made July 19, 2023 (the "**First Fox Affidavit**"), Affidavit #2 of Graham Fox made August 29, 2023 (the "**Second Fox Affidavit**"), the First Report of FTI Consulting Canada Inc. (the "**Proposal Trustee**"), dated July 19, 2023 (the "**First Proposal Trustee's Report**"), and the Second Report of the Proposal Trustee, dated •, 2023 (the "**Second Proposal Trustee's Report**"); AND PURSUANT TO the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and the inherent jurisdiction of this Honourable Court;

THIS COURT ORDERS AND DECLARES THAT:

Service

1. The time for service of the notice of application for this order (the “**Order**”), the Second Fox Affidavit, and the Second Proposal Trustee’s Report is hereby abridged and deemed good and sufficient and this application is properly returnable today.

Sale Approval

2. The sale transaction (the “**Transaction**”) contemplated by the Asset Purchase Agreement dated August 29, 2023 (the “**Sale Agreement**”) between the Debtor, as vendor, and CSL Sports Ltd., as purchaser (the “**Purchaser**”), a copy of which is attached as Exhibit “B” to the Second Fox Affidavit, is hereby approved, and the Sale Agreement is commercially reasonable. The execution of the Sale Agreement by the Debtor is hereby authorized and approved, and the Debtor 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 for the completion of the Transaction and for the conveyance to the Purchaser of the assets described in the Sale Agreement (the “**Purchased Assets**”).
3. Upon delivery by the Proposal Trustee to the Purchaser of a certificate substantially in the form attached as **Schedule “B”** hereto (the “**Proposal Trustee’s Certificate**”), confirming, among other things, that the Proposal Trustee has received written confirmation from the Debtor and the Purchaser, or their respective counsel, that all conditions precedent to the Sale Agreement have been satisfied or waived, all of the Debtor’s right, title, and interest in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in the Purchaser in fee simple, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of British Columbia or any other personal property registry system (all of which are collectively referred to as the “**Encumbrances**”) and, for

greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

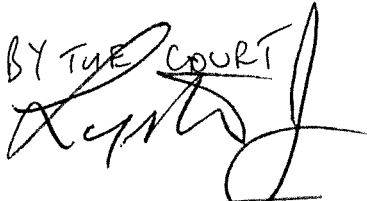
4. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Proposal Trustee's Certificate all Claims shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having had possession or control immediately prior to the sale.
5. The Proposal Trustee shall, from the sale proceeds:
 - (a) retain such amounts as is required to pay parties of obligations having priority to the security of BDC Capital Inc. ("**BDC**") and Royal Bank of Canada ("**RBC**"); and
 - (b) pay the balance to BDC and RBC as directed by, and in such proportion as advised by, RBC and BDC.
6. The Proposal Trustee is to file with the Court a copy of the Proposal Trustee's Certificate forthwith after delivery thereof.
7. Pursuant to Section 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act* or Section 18(10)(o) of the *Personal Information Protection Act* of British Columbia, the Debtor is hereby authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the company's records pertaining to the Debtor's past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.
8. The Debtor's former employees are eligible for payment pursuant to Section 5(5) of the *Wage Earner Protection Program Act*, SC 2005, c 47 as the Debtor meets the criteria prescribed by the *Wage Earner Protection Program Regulations*, SOR/2008-222.

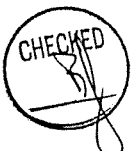
9. Subject to the terms of the Sale Agreement, possession of the Purchased Assets shall be delivered by the Debtor to the Purchaser on the Closing Date (as defined in the Sale Agreement).
10. The Debtor, with the consent of the Purchaser, shall be at liberty to extend the Closing Date to such later date as those parties may agree without the necessity of a further Order of this Court.
11. Notwithstanding:
- (a) these proceedings;
 - (b) any applications for a bankruptcy order in respect of the Debtor now or hereafter made pursuant to the BIA and any bankruptcy order issued pursuant to any such applications; and
 - (c) any assignment in bankruptcy made by or in respect of the Debtor,

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute or be deemed to be a transfer at undervalue, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

12. The Debtor, the Proposal Trustee, or any other party have liberty to apply for such further or other directions or relief as may be necessary or desirable to give effect to this Order.
13. Endorsement of this Order by counsel appearing on this application other than counsel for the Debtor is hereby dispensed with.

ENDORSEMENTS ATTACHED

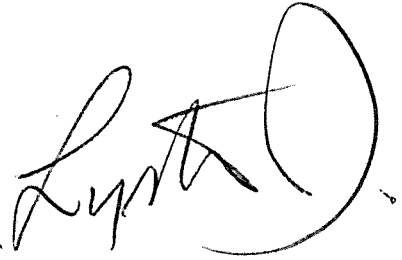
BY THE COURT

REGISTRAR IN BANKRUPTCY



THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:



Signature of Lawyer for the Applicant
McCarthy Tétrault LLP
(H. Lance Williams and Ashley Bowron)



~~BY THE COURT~~

~~REGISTRAR~~

Schedule A – List of Counsel

Counsel Name	Party Represented
H. Lance Williams and Ashley Bowron	Applicant
Valerie Cross and Emma Newbery	Proposal Trustee, FTI Consulting Canada Inc.
Glen Nesbitt	CSL Sports Ltd.
Ryan Laity	Royal Bank of Canada

Schedule B – Proposal Trustee’s Certificate

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PROPOSAL TRUSTEE’S CERTIFICATE

- A. Pursuant to the Order of the Supreme Court of British Columbia, dated August ____, 2023 (the “**Approval and Vesting Order**”), this Court approved the transaction contemplated by the Asset Purchase Agreement, dated August 29, 2023 (the “**Sale Agreement**”) between La Bicicletta Bicycles Inc. (the “**Debtor**”), as vendor, and CSL Sports Ltd. as purchaser (the “**Purchaser**”).
- B. The Approval and Vesting Order provides for vesting of all of the Debtor's right, title and interest in and to the Purchased Assets in the Purchaser upon delivery of a certificate (the “**Proposal Trustee’s Certificate**”) issued by the Proposal Trustee.
- C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Sale Agreement.

THE PROPOSAL TRUSTEE HEREBY CERTIFIES the following:

1. The Purchaser (or its nominee) has paid and the Proposal Trustee has receive the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement.

2. The Proposal Trustee has received written confirmation on behalf of the Debtor and the Purchaser, or their respective counsel, that all conditions precedent to the completion of the Sale Agreement have been satisfied or waived.
3. The Transaction has been completed to the satisfaction of the Proposal Trustee.
4. This certificate was delivered by the Proposal Trustee at _____ on _____, 2023.

**FTI Consulting Canada Inc.
in its capacity as Proposal
Trustee of La Bicicletta
Bicycles Inc., and not in its
personal or corporate
capacity**

Per:

Name: