

District of Ontario
Division No. 9 - Toronto
Estate/Court File No: 31-2205065
Estate/Court File No. 31-2205066

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

**IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF
MRP RETAIL INC. AND MRP FAMILY RETAIL INC.**

**MOTION RECORD
(Returnable March 13, 2017)**

Date: March 6, 2017

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*Lawyers for MRP Retail Inc. and MRP
Family Retail Inc.*

TO SERVICE LIST ATTACHED

District of Ontario
Division No. 9 - Toronto
Estate/Court File No: 31-2205065
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**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
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**IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF
MRP RETAIL INC. AND MRP FAMILY RETAIL INC.**

I N D E X

1. Notice of Motion returnable March 13, 2017
 - (a) Draft Approval and Vesting Order
 - (b) Draft Extension and Distribution Order
2. Blackline of Draft Approval and Vesting Order against Model Order
3. Affidavit of Roy Perlman sworn March 6, 2017
 - (a) Exhibit "A" – PPRS Searches
 - (b) Exhibit "B" – First Extension Order and Endorsement
 - (c) Exhibit "C" – Redacted Sale Agreement
4. Service List

TAB 1

District of Ontario
Division No. 9 - Toronto
Estate/Court File No: 31-2205065
Estate/Court File No. 31-2205066

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

**IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF
MRP RETAIL INC. AND MRP FAMILY RETAIL INC.**

**NOTICE OF MOTION
(Returnable March 13, 2017)**

MRP Retail Inc. (“**MRPR**”) and MRP Family Retail Inc. (“**MRPFR**” and, together with MRPR, the “**Companies**”) will make a motion to a judge presiding over the Commercial List on Monday, March 13, 2017 at 10 a.m., or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

1. THE MOTION IS FOR:

- (a) an Order, substantially in the form attached hereto as **Schedule “A”** (the “**Vesting Order**”), among other things:
 - (i) approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale (the “**Sale Agreement**”) between the Companies and Pacific West Commercial Corporation (the “**Purchaser**”), dated March 6, 2017 and attached in redacted form to the Affidavit of Roy Perlman, sworn March 6, 2017 (the “**Perlman Affidavit**”) and to be filed in unredacted form as a confidential appendix to the Second Report to the

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Court (the “**Second Report**”) of Richter Advisory Group Inc. (“**Richter**”), in its capacity as proposal trustee (the “**Proposal Trustee**”) in the *Bankruptcy and Insolvency Act* (the “**BIA**”) proposal proceedings (the “**Proposal Proceedings**”) of the Companies (together with the other confidential appendices to the Second Report, if any, the “**Confidential Appendices**”);

- (ii) vesting in the Purchaser the Companies’ right, title and interest in and to the assets described in the Sale Agreement (the “**Purchased Assets**”); and
 - (iii) sealing the Confidential Appendices; and
- (b) an Order, substantially in the form attached hereto as **Schedule “B” (the “Distribution and Extension Order”)**, among other things
- (i) approving the Second Report and the Proposal Trustee’s activities set out therein;
 - (ii) approving the fees and disbursements of the Proposal Trustee and its counsel;
 - (iii) authorizing and approving the distribution of proceeds of the Transaction to Canadian Imperial Bank of Commerce (“**CIBC**”), up to the amount of the Companies’ indebtedness to CIBC;
 - (iv) extending the time for the Companies to make a proposal to their creditors (the “**Proposal Period**”) by 45 days, up to and including May 9, 2017,

and such further and other relief as counsel may advise and this Court may permit.

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2. **THE GROUNDS FOR THE MOTION ARE:**

Background

- (a) the Companies have operated the “Jean Machine” retail clothing store chain (the “**Business**”) since 1976;
- (b) the Companies had previously operated the “Sunrise Records” retail chain since 1977, though that business was wound-down in an orderly fashion in 2015 through the closure of the chain’s three Toronto stores and sale of the remaining five stores;
- (c) the Business currently has 30 leased stores in Ontario, having recently disclaimed three other leases;
- (d) the Companies also have a head office, warehouse and distribution centre, leased from a related party (the “**Head Officer**”);
- (e) the Companies currently employ 124 full-time and 128 part-time employees (collectively, the “**Employees**”) and use a payroll service provider;
- (f) the Employees are not unionized;
- (g) MRPR has a defined contribution pension plan with two beneficiaries (the “**Pension Plan**”);
- (h) the Companies’ secured lenders, in descending priority, are:
 - (i) Canadian Imperial Bank of Commerce (“**CIBC**”), owed approximately \$2,423,951.23 (excluding professional fees) by MRPR under an demand overdraft facility, guaranteed by MRPFR; and

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- (ii) the related parties, R. Perlman Enterprises Inc. and M. Perlman Enterprises Inc., owed \$2,435,534 and \$2,090,544, respectively, by MRPR (only), under secured promissory notes.

Financial Difficulties and Filing

- (i) the Companies suffered significant losses in connection with the orderly wind-up of Sunrise, and capital injections were required in 2015 and the first half of 2016 to fund the wind-up and the continued operations of the Business (Jean Machine);
- (j) the Business then suffered a precipitous and unprecedented drop in sales during the summer of 2016, attributable prolonged stretches of very hot weather;
- (k) by the Fall of 2016, it was determined that the Business could not continue to operate without further significant capital injections and Management decided, therefore, that it would be prudent to consider various strategic options, including a sale of the Business;
- (l) the Companies engaged Richter Advisory Group Inc. (“**Richter**”) in September 2016 to advise on such matters;
- (m) with the assistance of Richter, the Companies began developing and conducting a sale solicitation process (the “**Sales Process**”) in early December, 2016;
- (n) in late December, 2016, the Companies advised CIBC that they intended to commence the Proposal Proceedings, and CIBC issued demands and Notices of Intention to Enforce Security pursuant to section 244 of the BIA on January 6, 2017;
- (o) the Companies filed their Notices of Intention to Make a Proposal (the “**NOIs**”) on January 9, 2017 (the “**Filing Date**”) and Richter was appointed as Proposal Trustee;

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- (p) the NOIs were filed in order to stabilize operations and conserve liquidity to give Companies the opportunity to rationalize and restructure the Business;
- (q) the Companies determined that a BIA proposal proceeding was the best way for them to complete a sale transaction and/or restructuring;

Developments Since Filing Date

- (r) since the Filing Date, the Companies have continued the Sales Process and taken a number of steps to rationalize the Business, including disclaiming leases, proceeding with previously-planned store closures and continuing the engagement of a lease consultant;
- (s) on January 10, 2017, CIBC, the Companies and R. Perlman Enterprises Inc. and M. Perlman Enterprises Inc., as guarantors of the CIBC indebtedness, entered into a forbearance agreement pursuant to which, among other things, CIBC agreed to forbear from enforcing its security and to continue to advance credit to the Companies during the Proposal Proceedings;
- (t) on January 19, 2017, the Companies, with the Proposal Trustee's assistance, filed consolidated cash flows for the period from the Filing Date through to February 25, 2017, along with accompanying reports, all as required by section 50.4(2) of the BIA (collectively, the "**Initial Cash Flows**");
- (u) by Order of this Court made February 8, 2017, the Proposal Period was extended up to and including March 25, 2017 (the "**First Extension Order**");
- (v) in connection with the motion for the First Extension Order, the Companies and the Proposal Trustee prepared and filed extended cash flows covering the period from January 29, 2017 through March 25, 2017 (the "**First Extension Cash Flows**");

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- (w) in connection with the present motion, the Companies and the Proposal Trustee have prepared extended cash flows covering the period from March 15, 2017 through May 13, 2017 (the “**Second Extension Cash Flows**” and , together with the Initial Cash Flows and the First Extension Cash Flows, the “**Cash Flows**”);
- (x) the Business has performed in accordance with the Cash Flows and, as evidenced by the Second Extension Cash Flows, the Business will have sufficient liquidity to fund operations and the costs of these proceedings until May 9, 2017;

Sale Agreement

- (y) in consultation with the Companies, Richter assembled and contacted a list of 32 potential strategic or financial purchasers to participate in the Sale Process;
- (z) interested parties who responded were required to execute confidentiality agreements in order to receive additional information and access to a data room;
- (aa) the Sales Process lead to the signing of a letter of intent with the Purchaser dated January 27, 2017 (the “**LOI**”), contemplating a going concern sale of substantially all the assets of the Business (the “**Transaction**”);
- (bb) the Sale Agreements was made on March 6, 2017;
- (cc) The Sale Agreement provides for (among other things):
 - (i) the purchase of substantially all the assets of the Business;
 - (ii) purchase price adjustments for:
 - (1) any fluctuation, positive or negative, in the value of inventory since the Filing Date;
 - (2) any pre-paid rents for the Interim Period; and

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- (3) certain deposits to suppliers for delivery of inventory post-Closing;
 - (iii) a 30-day post-closing period (the “**Interim Period**”) in which the Purchaser can designate which leases to retail locations and which related contracts it wishes to assume;
 - (iv) the assumption of retail Employees at assumed retail locations within the Interim Period;
 - (v) the Companies to provide the Purchaser, during the Interim Period, with the services of the retail locations and the retail Employees thereat, all to be funded by the Purchaser;
 - (vi) the Head Office related-party landlord to provide the Purchaser access and use of the Head Office for up to 12 months post-closing on a rent-free basis (the “**Head Office Occupancy Period**”), in return for the Purchaser paying all occupation costs;
 - (vii) the Companies providing the Purchaser with the services of their Employees at the Head Office during the Head Office Occupancy Period, at the cost of the Purchaser; and
 - (viii) the Purchaser to cover limited professional costs of the Companies in obtaining any extensions of the Proposal Period required to cover the Interim Period and any further portion of the Head Office Occupancy Period desired by the Purchaser;
- (dd) the LOI was the highest and best offer received in the Sales Process, and the Companies view the consideration to be received from the Transaction to be reasonable and fair;
- (ee) the Proposal Trustee has been involved in all material discussions and negotiations concerning the Sale Process, the Sale Agreement and the

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Transaction, and it has indicated that it approves of the Sale Agreement and views the Transaction to be more beneficial to the creditors than a sale or disposition under a bankruptcy;

- (ff) the Purchaser is not related to the Companies;
- (gg) all payments required under the BIA to be made in respect of employee wages, salaries, commissions, compensation or disbursements (including vacation pay) and in respect of amounts under the Pension Plan (collectively, “**Priority Employee Amounts**”) will be paid on Closing, where accrued prior to closing of the Transaction (“**Closing**”);
- (hh) all Priority Employee Amounts accruing during the Interim Period or the Head Office Occupancy Period will be paid in normal course during such post-Closing periods;

Extension of Time to File Proposal

- (ii) granting an extension of the Proposal Period up to and including May 9, 2017 will allow the Proposal Period to extend through and beyond the Interim Period, will allow the Purchaser to take additional time (beyond the Interim Period), to evaluate which, if any, Head Office Employees it wishes to assume, and will allow the Companies to consider the development of a proposal to their creditors;
- (jj) the extension will therefor assist the Companies in maximizing value for their stakeholders;
- (kk) the Companies have been acting and continue to act in good faith and with due diligence in the Proposal Proceedings;
- (ll) no creditor will be materially prejudiced by the extension sought and stakeholders generally will be far better off if the Business is preserved as a going concern through the Transaction than they would be in a bankruptcy liquidation;

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- (mm) it is just and convenient and in the interests of the Companies and their stakeholders that the extension of the Proposal Period be granted;
- (nn) the Proposal Trustee supports the extension of the Proposal Period;

Distribution to CIBC

- (oo) the proceeds from the Transaction on Closing will be sufficient to repay all of the Companies' indebtedness to CIBC and the Companies desire to make that repayment in order to avoid further indebtedness for interest charges and professional fees;
- (pp) the Proposal Trustee has advised that it has received an independent legal opinion confirming the validity, enforceability and perfection of CIBC's general security interest, subject to standard assumptions and disclaimers;
- (qq) CIBC is not stayed in the Proposal Proceedings because it issued its demands and NOIs, and the Companies executed consents to immediate enforcement of CIBC's security, all prior to the Filing Date;

Approval of Activities and Fees

- (rr) the Proposal Trustee has filed the Second Report describing, among other things, its activities since its First Report to the Court, dated February 2, 2017, and seeks approval of the same;
- (ss) Richter and its counsel, Cassels Brock & Blackwell, have accrued fees and expenses in their capacity as Proposal Trustee, or counsel thereto, and seek approval of the same;
- (tt) the other grounds set out in the and Perlman Affidavit;
- (uu) sections 50.4, 65.13, 66(1), and 183 of the BIA;

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(vv) rules 1.04, 1.05, 2.03, 3.02 and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended; and

(ww) such further and other grounds as counsel may advise and this Court may permit.

3. **THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the motion:

(a) the Perlman Affidavit;

(b) the Second Report of the Proposal Trustee; and

(c) such further and other material as counsel may submit and this Court may permit.

Date: March 6, 2017

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*Lawyers for MRP Retail Inc. and MRP
Family Retail Inc.*

TO SERVICE LIST ATTACHED

TAB 1(A)

District of Ontario
 Division No. 9 – Toronto
 Estate/Court File No: 31-2205065
 Estate/Court File No: 31-2205066

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE)	MONDAY, THE 13 TH
)	
JUSTICE)	DAY OF MARCH, 2017

**IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF
 MRP RETAIL INC. AND MRP FAMILY RETAIL INC.**

APPROVAL AND VESTING ORDER

THIS MOTION, made by MRP Retail Inc. (“**MRPR**”) and MRP Family Retail Inc. (“**MRPFR**” and, together with MRPR, the “**Companies**”) for an order (i) approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale (the “**Sale Agreement**”) between the Companies and Pacific West Commercial Corporation (the “**Purchaser**”) dated March 6, 2017, a copy of which is appended to the Second Report to the Court of Richter Advisory Group Inc., in its capacity as proposal trustee (the “**Proposal Trustee**”) in these proceedings, dated March ●, 2017 (the “**Second Report**”), (ii) vesting in the Purchaser the Companies’ right, title and interest in and to the assets described in the Sale Agreement (the “**Purchased Assets**”), and (iii) sealing the confidential appendices to the Second Report (the “**Confidential Appendices**”), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the material filed and on hearing the submissions of counsel for the Companies, the Purchaser and Richter Advisory Group Inc., in its capacity as proposal trustee (the “**Proposal Trustee**”), no one appearing for any other person on the service list, although properly served as appears from the affidavit of ● sworn March ●, 2017, filed:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

APPROVAL OF THE TRANSACTION AND VESTING OF THE PURCHASED ASSETS

2. **THIS COURT ORDERS AND DECLARES** that, subject to paragraph 5 hereof, the Transaction is hereby approved, and the execution and delivery of the Sale Agreement by the Companies is hereby authorized and approved, with such minor amendments as the Companies and the Purchaser may deem necessary. The Companies 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 of the Purchased Assets to the Purchaser.

3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of the Proposal Trustee’s certificate to the Purchaser substantially in the form attached as **Schedule “A”** hereto (the “**Proposal Trustee’s Certificate**”), all of the Companies right, title and interest in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in the Purchaser, free and clear of and from any and all rights, benefits, security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, restrictions, adverse claims, rights of set-off, or other financial or monetary claims, assignments, judgments, options, agreements, rights of distress, legal, equitable, or contractual setoffs, claims, adverse claims, taxes disputes, debts, liabilities (direct, indirect, absolute or contingent) or claims (including, without limitation, claims provable in bankruptcy in the event that one or more of the Companies should be adjudged bankrupt), or encumbrances, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured, legal, equitable, possessory or otherwise

(collectively, the “**Claims**”) by or of any person or entity of any kind whatsoever, including, without limitation, any individual, firm, corporation, partnership, joint venture, trust, agency, and tribunal and any other natural person or corporation whether acting in its capacity as principal or trustee, executor, administrator or other legal representative (collectively, “**Persons**”) including, without limiting the generality of the foregoing: (i) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; (ii) all charges, security interests or claims evidenced by recordals pursuant to the *Trade-marks Act* (Canada); and (iii) those Claims listed in **Schedule “B”** hereto (all of which are collectively referred to as the “**Encumbrances**”); 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. The Purchaser is hereby authorized but not required to discharge any such registrations evidencing Encumbrances.

4. **THIS COURT ORDERS** that upon registration in the Canadian Intellectual Property Office of a certified copy of this Order, the applicable Registrar is hereby directed to transfer all of the owner’s right, title and interest in and to the Purchased Assets that is Intellectual Property as described in the Sale Agreement free and clear of and from any and all Claims.

5. **THIS COURT ORDERS** that following the date of this Order and until the Designation Deadline (as defined in the Sale Agreement) the Purchaser may designate any agreement to which the Companies are a party to be assigned as an Assigned Contract or as an Assigned Lease pursuant to the Sale Agreement such that the Companies’ right, title and interest in and to such Assigned Contract or Assigned Lease becomes a Purchased Asset under the Sale Agreement, provided counter-party consent has been obtained to such assignment where required. At the conclusion of the Designation Period, the Proposal Trustee shall file with the Court a supplementary Proposal Trustee’s Certificate, in substantially in the form attached as **Schedule “C”** hereto (the “**Supplementary Proposal Trustee’s Certificate**”), identifying all Assigned Contracts and Assigned Leases so designated by the Purchaser which Assigned Contracts and Assigned Leases shall be deemed to be Purchased Assets vested in the Purchaser pursuant to paragraph 2 in all respects, except that the effective time shall be the actual date of such assignment pursuant to this paragraph 5.

6. **THIS COURT ORDERS AND DIRECTS** the Proposal Trustee to file with the Court a copy of the Proposal Trustee's Certificate and the Supplementary Proposal Trustee's Certificate, in each case forthwith after delivery thereof.

7. **THIS COURT ORDERS** that 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 that from and after the delivery of the Proposal Trustee's Certificate or the Supplementary Proposal Trustee's Certificate, where applicable, all Claims and Encumbrances 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 that possession or control immediately prior to the sale.

8. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act* and any similar Provincial Legislation ("**Privacy Legislation**"), the Companies and the Proposal Trustee are authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Companies' past and current employees and customers. 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 Companies.

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

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Companies and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Companies;

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 Companies and shall not be void or voidable by creditors of the Companies, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) 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.

10. **THIS COURT ORDERS AND DECLARES** that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario) or any similar legislation in any other province and section 6 of the *Retail Sales Tax Act* (Ontario) or any equivalent or corresponding provision under any other applicable tax legislation.

11. **THIS COURT ORDERS** that until the earlier of further Order of this Court or the filing of the Supplementary Proposal Trustee's Certificate, the Confidential Appendices shall be sealed, kept confidential and not form part of the public record, but rather shall be placed, separate and apart from all other contents of the Court file, in a sealed envelope attached to a notice that sets out the title of these proceedings and a statement that the contents are subject to a sealing order.

12. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Companies and the Proposal Trustee 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 Companies and Proposal Trustee as may be necessary or desirable to give effect to this Order or to assist the Companies and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

Schedule “A” – Form of Proposal Trustee’s Certificate

District of Ontario
Division No. 9 – Toronto
Estate/Court File No: 31-2205065
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ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

**IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF MRP
RETAIL INC. AND MRP FAMILY RETAIL INC.**

PROPOSAL TRUSTEE’S CERTIFICATE

RECITALS

A. MRP Retail Inc. and MRP Family Retail Inc. (the “**Vendors**”) filed notices of intention to make proposals under the *Bankruptcy and Insolvency Act* on January 9, 2017, and Richter Advisory Group Inc. was appointed as the proposal trustee (the “**Proposal Trustee**”).

B. Pursuant to an Order of the Court dated March 13, 2017, the Court approved the agreement of purchase and sale made as of March 6, 2017 (the “**Sale Agreement**”) between the Companies and Pacific West Commercial Corporation (the “**Purchaser**”) and provided for the vesting in the Purchaser of the Companies’ right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Proposal Trustee to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in Article 10 of the Sale Agreement have been satisfied or waived by the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Proposal Trustee.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE PROPOSAL TRUSTEE CERTIFIES the following:

1. The Purchaser has paid and the Companies have received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;

2. The conditions to Closing as set out in Article 10 of the Sale Agreement have been satisfied or waived by the Companies and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Proposal Trustee.
4. This Certificate was delivered by the Proposal Trustee at _____ [TIME] on _____ [DATE].

**Richter Advisory Group Inc., in its capacity
as Proposal Trustee of MRP Retail Inc. and
MRP Family Retail Inc., and not in its
personal capacity**

Per: _____
Name:
Title:

Schedule "B" – Encumbrances***Encumbrances registered on the Ontario Personal Property Security Registration System:***

File Number:	Secured Party:
723898404	Canadian Imperial Bank of Commerce
718252974	Xerox Canada Ltd.
712478772	R. Perlman Enterprises Inc.
712478871	M. Perlman Enterprises Inc.
641288997	Sony BMG Music (Canada) Inc.
629829459	Entertainment One Limited Partnership LP
817885521	Canadian Imperial Bank of Commerce

Schedule “C” – Form of Supplementary Proposal Trustee’s Certificate

District of Ontario
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ONTARIO**SUPERIOR COURT OF JUSTICE****COMMERCIAL LIST****IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF MRP
RETAIL INC. AND MRP FAMILY RETAIL INC.****SUPPLEMENTARY PROPOSAL TRUSTEE’S CERTIFICATE****RECITALS**

A. MRP Retail Inc. and MRP Family Retail Inc. (the “**Vendors**”) filed notices of intention to make proposals under the *Bankruptcy and Insolvency Act* on January 9, 2017, and Richter Advisory Group Inc. was appointed as the proposal trustee (the “**Proposal Trustee**”).

B. Pursuant to an Order of the Court dated March 13, 2017 (the “**Order**”), the Court approved the agreement of purchase and sale made as of March 6, 2017 (the “**Sale Agreement**”) between the Companies and Pacific West Commercial Corporation (the “**Purchaser**”) and provided for the vesting in the Purchaser of the Companies’ right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to any Assigned Contracts and Assigned Leases designated as such by the Purchaser at any time following the date of the Order until the Designation Deadline upon the delivery by the Proposal Trustee to the Purchaser of a certificate confirming that: (i) the Purchaser has designated the Assigned Contracts and Assigned Leases as such; and (ii) all counter-party consents to the assignment of such Assigned Contracts and Assigned Leases has been obtained, where required.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE PROPOSAL TRUSTEE CERTIFIES the following:

- 1. The Purchaser designated the contracts and leases detailed on **Schedule "A"** hereto as Assigned Leases and Assigned Contracts; and
- 2. All required counter-party consents to the assignment of such Assigned Contracts and Assigned Leases have been obtained.
- 4. This Certificate was delivered by the Proposal Trustee at _____ [TIME] on _____ [DATE].

**Richter Advisory Group Inc., in its capacity
as Proposal Trustee of MRP Retail Inc. and
MRP Family Retail Inc., and not in its
personal capacity**

Per: _____
Name:
Title:

**IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF
MRP RETAIL INC. AND MRP FAMILY RETAIL INC.**

District of Ontario
Division No. 9 - Toronto
Estate/Court File No: 31-2205065
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**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
IN BANKRUPTCY AND INSOLVENCY**

Proceedings commenced at Toronto

**APPROVAL AND VESTING
ORDER**

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Lawyers for the MRP Retail Inc. and MRP Family Retail Inc.

TAB 1(B)

District of Ontario
 Division No. 9 - Toronto
 Estate/Court File No: 31-2205065
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ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
IN BANKRUPTCY AND INSOLVENCY

THE HONOURABLE) MONDAY, THE 13th DAY
)
 JUSTICE <*>) OF MARCH, 2017

**IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF
 MRP RETAIL INC. AND MRP FAMILY RETAIL INC.**

ORDER

THIS MOTION, made by MRP Retail Inc. and MRP Family Retail Inc. (“**MRPFR**”) and, together with MRPR, the “**Companies**”), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Motion Record of the Companies, including the Affidavit of Roy Perlman sworn March 13, 2017 and the exhibits thereto, on reading the Second Report to the Court of Richter Advisory Group Inc. (“**Richter**”), in its capacity as proposal trustee (the “**Proposal Trustee**”) in the Companies’ *Bankruptcy and Insolvency Act* (the “**BIA**”) proposal proceedings (collectively, the “**Proposal Proceedings**”) dated March <*>, 2017 (the “**Second Report**”), and on hearing the submissions of counsel for the Companies, counsel for the Proposal Trustee, counsel for Canadian Imperial Bank of Commerce (“**CIBC**”), counsel to Pacific West Commercial Corporation, _____ and no one else appearing although properly served as appears from the affidavit of <*>, sworn March <*>, 2017, filed,

SERVICE

1. **THIS COURT ORDERS** that the time for service and filing of the notice of motion and the motion record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPROVAL OF ACTIVITIES AND FEES

2. **THIS COURT ORDERS** that the Second Report be and is hereby approved and the activities of the Proposal Trustee described therein be and are hereby approved.

3. **THIS COURT ORDERS** that the fees and disbursements with respect to the Companies of Richter for the period from January 1, 2017 to February 24, 2017, in the amount of \$139,705.75 (excluding HST), be and the same are hereby approved.

4. **THIS COURT ORDERS** that the fees and disbursements of the Proposal Trustee's legal counsel, Cassels Brock & Blackwell LLP, for the period from January 1, 2017 to February 28, 2017, in the amount of \$22,045.56 (excluding HST), be and the same are hereby approved.

DISTRIBUTION

5. **THIS COURT ORDERS** that the Companies shall jointly make a payment to CIBC up to the amount of the Companies' indebtedness to CIBC (the "**Distribution**"), and that the same be and is hereby approved. MRPFR's contribution to the Distribution shall be in an amount to be determined by the Companies, subject to the approval of the Proposal Trustee.

EXTENSION OF TIME

6. **THIS COURT ORDERS** that the time for the filing of a proposal by the Companies is hereby extended in accordance with section 50.4(9) of the BIA up to and including May 9, 2017.

GENERAL

7. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or elsewhere, to give effect to this Order and to assist the Companies, the Proposal Trustee 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 provide such assistance to the Companies 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 Companies and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

**IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF
MRP RETAIL INC. AND MRP FAMILY RETAIL INC.**

District of Ontario
Division No. 9 - Toronto
Estate/Court File No: 31-2205065
Estate/Court File No. 31-2205066

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

Proceedings commenced at Toronto

ORDER

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Lawyers for the MRP Retail Inc. and MRP Family Retail Inc.

**IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL
OF MRP RETAIL INC. AND MRP FAMILY RETAIL INC.**

District of Ontario
Division No. 9 - Toronto
Estate/Court File No: 31-2205065
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**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
IN BANKRUPTCY AND INSOLVENCY**

Proceedings commenced at Toronto

NOTICE OF MOTION

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Lawyers for MRP Retail Inc. and MRP Family Retail Inc.

TAB 2

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2—

THIS MOTION, made by ~~<receiver>~~ in its capacity as the Court appointed receiver (the “Receiver”) of the ~~undertaking, property and assets of <debtor>~~ (the “Debtor” MRP Retail Inc. (“MRPR”) and MRP Family Retail Inc. (“MRPER” and, together with MRPR, the “Companies”) for an order (i) approving the sale transaction (the “Transaction”) contemplated by an agreement of purchase and sale (the “Sale Agreement”) between the ~~Receiver and <name of purchaser>~~ Companies and Pacific West Commercial Corporation (the “Purchaser”) dated ~~<*>, 20<*>~~ and March 6, 2017, a copy of which is appended to the Second Report of the Receiver dated <*> to the Court of Richter Advisory Group Inc., in its capacity as proposal trustee (the “Proposal Trustee”) in these proceedings, dated March ●, 20<*> 2017 (the “Second Report”), and (ii) vesting in the Purchaser the Debtor’s Companies’ right, title and interest in and to the assets described in the Sale Agreement (the “Purchased Assets”), and (iii) sealing the confidential appendices to the Second Report (the “Confidential Appendices”). was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the ~~Report~~ material filed and on hearing the submissions of counsel for the ~~Receiver, <name of other parties appearing>~~ Companies, the Purchaser and Richter Advisory Group Inc., in its capacity as proposal trustee (the “Proposal Trustee”), no one appearing for any other person on the service list, although properly served as appears from the affidavit of ~~<name>~~ sworn <*>, 20<*> March ●, 2017, filed[†]:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

APPROVAL OF THE TRANSACTION AND VESTING OF THE PURCHASED ASSETS

[†]—~~This model order assumes that the time for service does not need to be abridged. The motion seeking a vesting order should be served on all persons having an economic interest in the Purchased Assets, unless circumstances warrant a different approach. Counsel should consider attaching the affidavit of service to this Order.~~

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2. THIS COURT ORDERS AND DECLARES that, subject to paragraph 5 hereof, the Transaction is hereby approved², and the execution and delivery of the Sale Agreement by the Receiver³Companies is hereby authorized and approved, with such minor amendments as the ReceiverCompanies and the Purchaser may deem necessary. The Receiver isCompanies 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 of the Purchased Assets to the Purchaser.

3. ~~2.~~ THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver~~the~~ Proposal Trustee's certificate to the Purchaser substantially in the form attached as Schedule "A" hereto (the "ReceiverProposal Trustee's Certificate"), all of the Debtor'sCompanies right, title and interest in and to the Purchased Assets described in the Sale Agreement [and listed on Schedule B hereto]⁴ shall vest absolutely in the Purchaser, free and clear of and from any and all rights, benefits, security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, restrictions, adverse claims, rights of set-off, or other financial or monetary claims, assignments, judgments, options, agreements, rights of distress, legal, equitable, or contractual setoffs, claims, adverse claims, taxes disputes, debts, liabilities (direct, indirect, absolute or continent) or claims (including, without limitation, claims provable in bankruptcy in the event that one or more the of the Companies should be adjudged bankrupt), or encumbrances, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured, legal, equitable, possessory or otherwise (collectively, the "Claims"⁵) by or of any person or entity of any kind whatsoever, including, without limitation, any individual, firm, corporation, partnership, joint venture, trust, agency, and tribunal and any

²—In some cases, notably where this Order may be relied upon for proceedings in the United States, a finding that the Transaction is commercially reasonable and in the best interests of the Debtor and its stakeholders may be necessary. Evidence should be filed to support such a finding, which finding may then be included in the Court's endorsement.

³—In some cases, the Debtor will be the vendor under the Sale Agreement, or otherwise actively involved in the Transaction. In those cases, care should be taken to ensure that this Order authorizes either or both of the Debtor and the Receiver to execute and deliver documents, and take other steps.

⁴—To allow this Order to be free-standing (and not require reference to the Court record and/or the Sale Agreement), it may be preferable that the Purchased Assets be specifically described in a Schedule.

⁵—The "Claims" being vested out may, in some cases, include ownership claims, where ownership is disputed and the dispute is brought to the attention of the Court. Such ownership claims would, in that case, still continue as against the net proceeds from the sale of the claimed asset. Similarly, other rights, titles or interests could also be vested out, if the Court is advised what rights are being affected, and the appropriate persons are served. It is the Subcommittee's view that a non-specific vesting out of "rights, titles and interests" is vague and therefore undesirable.

other natural person or corporation whether acting in its capacity as principal or trustee, executor, administrator or other legal representative (collectively, “Persons”) including, without limiting the generality of the foregoing: (i) ~~any encumbrances or charges created by the Order of the Honourable Justice <name> dated <*>, 20<*>~~; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; (ii) all charges, security interests or claims evidenced by recordals pursuant to the *Trade-marks Act* (Canada); and (iii) those Claims listed ~~on~~ in **Schedule C-“B”** hereto (all of which are collectively referred to as the “**Encumbrances**”, ~~which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D) 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. The Purchaser is hereby authorized but not required to discharge any such registrations evidencing Encumbrances.

4. ~~3.~~ THIS COURT ORDERS that upon ~~the~~ registration in the ~~Land Registry Office for the [Registry Division of <location> of a Transfer/Deed of Land in the form prescribed by the Land Registration Reform Act duly executed by the Receiver][Land Titles Division of <location> of an Application for Vesting Order in the form prescribed by the Land Titles Act and/or the Land Registration Reform Act]⁶, the Land Canadian Intellectual Property Office of a certified copy of this Order, the applicable Registrar is hereby directed to ~~enter the Purchaser as the owner of the subject real property identified in Schedule B hereto (the “Real Property”) in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto~~ transfer all of the owner’s right, title and interest in and to the Purchased Assets that is Intellectual Property as described in the Sale Agreement free and clear of and from any and all Claims.~~

5. THIS COURT ORDERS that following the date of this Order and until the Designation Deadline (as defined in the Sale Agreement) the Purchaser may designate any agreement to which the Companies are a party to be assigned as an Assigned Contract or as an Assigned Lease pursuant to the Sale Agreement such that the Companies’ right, title and interest in and to such Assigned Contract or Assigned Lease becomes a Purchased Asset under the Sale Agreement, provided counter-party consent has been obtained to such assignment where required. At the

⁶ ~~Elect the language appropriate to the land registry system (Registry vs. Land Titles).~~

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conclusion of the Designation Period, the Proposal Trustee shall file with the Court a supplementary Proposal Trustee's Certificate, in substantially in the form attached as Schedule "C" hereto (the "Supplementary Proposal Trustee's Certificate"), identifying all Assigned Contracts and Assigned Leases so designated by the Purchaser which Assigned Contracts and Assigned Leases shall be deemed to be Purchased Assets vested in the Purchaser pursuant to paragraph 2 in all respects, except that the effective time shall be the actual date of such assignment pursuant to this paragraph 5.

6. THIS COURT ORDERS AND DIRECTS the Proposal Trustee to file with the Court a copy of the Proposal Trustee's Certificate and the Supplementary Proposal Trustee's Certificate, in each case forthwith after delivery thereof.

7. 4. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds⁷ from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the ~~Receiver~~Proposal Trustee's Certificate or the Supplementary Proposal Trustee's Certificate, where applicable, all Claims and Encumbrances 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 sale⁸, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

~~5. — THIS COURT ORDERS AND DIRECTS the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.~~

8. 6. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, ~~the Receiver is~~ and any similar Provincial Legislation ("Privacy Legislation"), the Companies and the Proposal Trustee are 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 Companies'~~ past and current employees, ~~including personal information of those employees listed on Schedule "~~*~~" to the Sale~~

⁷ ~~The Report should identify the disposition costs and any other costs which should be paid from the gross sale proceeds, to arrive at "net proceeds".~~

⁸ ~~This provision crystallizes the date as of which the Claims will be determined. If a sale occurs early in the insolvency process, or potentially secured claimants may not have had the time or the ability to register or perfect proper claims prior to the sale, this provision may not be appropriate, and should be amended to remove this crystallization concept.~~

—
6—

~~Agreement and customers.~~ 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~~Companies.

9. ~~7.~~ **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the ~~Debtor~~Companies and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the ~~Debtor~~Companies;

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~~Companies and shall not be void or voidable by creditors of the ~~Debtor~~Companies, nor shall it constitute nor be deemed to be a ~~settlement~~, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) 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.

10. ~~8.~~ **THIS COURT ORDERS AND DECLARES** that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario) or any similar legislation in any other province and section 6 of the *Retail Sales Tax Act* (Ontario) or any equivalent or corresponding provision under any other applicable tax legislation.

11. THIS COURT ORDERS that until the earlier of further Order of this Court or the filing of the Supplementary Proposal Trustee's Certificate, the Confidential Appendices shall be sealed, kept confidential and not form part of the public record, but rather shall be placed, separate and apart from all other contents of the Court file, in a sealed envelope attached to a notice that sets out the title of these proceedings and a statement that the contents are subject to a sealing order.

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12. ~~9.~~ **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the ~~Receiver and its~~ Companies and the Proposal Trustee 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 ~~Receiver, as an officer of this Court,~~ Companies and Proposal Trustee as may be necessary or desirable to give effect to this Order or to assist the ~~Receiver and its~~ Companies and the Proposal Trustee and their respective agents in carrying out the terms of this Order.



Schedule "A" – Form of Proposal Trustee's Certificate~~Schedule A~~
~~FORM OF RECEIVER'S CERTIFICATE~~

Court File No. ~~<*>~~

District of Ontario
Division No. 9 – Toronto
Estate/Court File No: 31-2205065
Estate/Court File No: 31-2205066

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

~~BETWEEN:~~

~~<NAME OF PLAINTIFF>~~

Plaintiff

~~-and-~~

~~<NAME OF DEFENDANT>~~

Defendant

IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF MRP
RETAIL INC. AND MRP FAMILY RETAIL INC.

~~RECEIVER~~PROPOSAL TRUSTEE'S CERTIFICATE

RECITALS

~~A. Pursuant to an Order of the Honourable <name of judge> of the Ontario Superior Court of Justice (the "Court") dated <date of order>, <name of receiver> was appointed as the receiver (the "Receiver") of the undertaking, property and assets of <debtor> (the "Debtor").~~

A. MRP Retail Inc. and MRP Family Retail Inc. (the "Vendors") filed notices of intention to make proposals under the Bankruptcy and Insolvency Act on January 9, 2017, and Richter Advisory Group Inc. was appointed as the proposal trustee (the "Proposal Trustee").

~~B. Pursuant to an Order of the Court dated <date>, March 13, 2017, the Court approved the agreement of purchase and sale made as of <date of agreement> March 6, 2017 (the "Sale Agreement") between the Receiver <debtor> and <name of purchaser> Companies and Pacific West Commercial Corporation (the~~

“**Purchaser**”) and provided for the vesting in the Purchaser of the ~~Debtor’s~~Companies’ right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the ~~Receiver~~Proposal Trustee to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in ~~section~~Article 10 of the Sale Agreement have been satisfied or waived by ~~the Receiver and~~ the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the ~~Receiver~~Proposal Trustee.

~~C. C.~~ Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE ~~RECEIVER~~PROPOSAL TRUSTEE CERTIFIES the following:

~~1. 1.~~ The Purchaser has paid and the ~~Receiver has~~Companies have received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;

~~2. 2.~~ The conditions to Closing as set out in ~~section~~Article 10 of the Sale Agreement have been satisfied or waived by the ~~Receiver~~Companies and the Purchaser; and

~~3. 3.~~ The Transaction has been completed to the satisfaction of the ~~Receiver~~Proposal Trustee.

~~4. 4.~~ This Certificate was delivered by the ~~Receiver at~~ _____ on ~~_____~~, 20~~_____~~ Proposal Trustee at _____
[TIME] on _____ [DATE].

		<p><Name of Receiver> <u>Richter Advisory Group Inc., in its capacity as Receiver of the undertaking, property and assets of</u> <Debtor> <u>Proposal Trustee of MRP Retail Inc. and MRP Family Retail Inc., and not in its personal capacity</u></p>
	<p>Per: _____ Name: _____ Title: _____</p>	

Schedule "B" – Encumbrances~~Schedule B~~
~~PURCHASED ASSETS~~

Encumbrances registered on the Ontario Personal Property Security Registration System:

<u>File Number:</u>	<u>Secured Party:</u>
<u>723898404</u>	<u>Canadian Imperial Bank of Commerce</u>
<u>718252974</u>	<u>Xerox Canada Ltd.</u>
<u>712478772</u>	<u>R. Perlman Enterprises Inc.</u>
<u>712478871</u>	<u>M. Perlman Enterprises Inc.</u>
<u>641288997</u>	<u>Sony BMG Music (Canada) Inc.</u>
<u>629829459</u>	<u>Entertainment One Limited Partnership LP</u>
<u>817885521</u>	<u>Canadian Imperial Bank of Commerce</u>

Schedule "C" – Form of Supplementary Proposal Trustee's Certificate~~Schedule C~~
~~CLAIMS TO BE DELETED AND EXPUNGED FROM TITLE TO REAL PROPERTY~~

District of Ontario
Division No. 9 – Toronto
Estate/Court File No: 31-2205065
Estate/Court File No: 31-2205066

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF MRP
RETAIL INC. AND MRP FAMILY RETAIL INC.

SUPPLEMENTARY PROPOSAL TRUSTEE'S CERTIFICATE

RECITALS

A. MRP Retail Inc. and MRP Family Retail Inc. (the "Vendors") filed notices of intention to make proposals under the *Bankruptcy and Insolvency Act* on January 9, 2017, and Richter Advisory Group Inc. was appointed as the proposal trustee (the "Proposal Trustee").

B. Pursuant to an Order of the Court dated March 13, 2017 (the "Order"), the Court approved the agreement of purchase and sale made as of March 6, 2017 (the "Sale Agreement") between the Companies and Pacific West Commercial Corporation (the "Purchaser") and provided for the vesting in the Purchaser of the Companies' right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to any Assigned Contracts and Assigned Leases designated as such by the Purchaser at any time following the date of the Order until the Designation Deadline upon the delivery by the Proposal Trustee to the Purchaser of a certificate confirming that: (i) the Purchaser has designated the Assigned Contracts and Assigned Leases as such; and (ii) all counter-party consents to the assignment of such Assigned Contracts and Assigned Leases has been obtained, where required.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

~~2~~

THE PROPOSAL TRUSTEE CERTIFIES the following:

- 1. The Purchaser designated the contracts and leases detailed on **Schedule “A”** hereto as Assigned Leases and Assigned Contracts; and
- 2. All required counter-party consents to the assignment of such Assigned Contracts and Assigned Leases have been obtained.
- 4. This Certificate was delivered by the Proposal Trustee at _____ [TIME] on _____ [DATE].

**Richter Advisory Group Inc., in its capacity
as Proposal Trustee of MRP Retail Inc. and
MRP Family Retail Inc., and not in its
personal capacity**

Per: _____

Name:

Title:

Schedule D
~~PERMITTED ENCUMBRANCES, EASEMENTS AND RESTRICTIVE COVENANTS~~
~~RELATED TO THE REAL PROPERTY~~

~~(unaffected by the Vesting Order)~~

~~28649630.1~~

~~28659961.2~~

Document comparison by Workshare Compare on March-07-17 2:40:05 PM

Input:	
Document 1 ID	interwovenSite://AB-WS1/CM/28649630/1
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Document 2 ID	interwovenSite://AB-WS1/CM/28659961/2
Description	#28659961v2<CM> - Approval and Vesting Order
Rendering set	Standard

Legend:	
Insertion	
Deletion	
Moved from	
Moved to	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	142
Deletions	134
Moved from	3
Moved to	3
Style change	0
Format changed	0
Total changes	282

TAB 3

District of Ontario
Division No. 9 - Toronto
Estate /Court File No: 31-2205065
Estate/Court File No. 31-2205066

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

**IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF
MRP RETAIL INC. AND MRP FAMILY RETAIL INC.**

AFFIDAVIT OF ROY PERLMAN
(sworn March 6, 2017)

I, ROY PERLMAN, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am the Secretary and a director of each of MRP Retail Inc. (“**MRPR**”) and MRP Family Retail Inc. (“**MRPFR**”) and, together with MRPR, the “**Companies**”) and, as such, I have knowledge of the matters to which I hereinafter depose. Where information contained in this affidavit is based on information I have received from other sources, I have stated the source of that information, and in all such cases I believe that information to be true.

2. This affidavit is made in a support of a motion by the Companies for:

- (a) an Order (the “**Approval and Vesting Order**”), among other things: (i) approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale (the “**Sale Agreement**”) between the Companies and Pacific West Commercial Corporation (the “**Purchaser**”), dated March 6, 2017; (ii) vesting in the Purchaser all the Companies’ right, title and interest in and to the assets described in the Sale Agreement (the “**Purchased Assets**”); and (iii) sealing the confidential appendices to the Second Report to the Court (the

- 2 -

“**Second Report**”) of Richter Advisory Group Inc. (“**Richter**”), in its capacity as proposal trustee (the “**Proposal Trustee**”) in the *Bankruptcy and Insolvency Act* (the “**BIA**”) proposal proceedings (the “**Proposal Proceedings**”) of the Companies (the “**Confidential Appendices**”); and

- (b) an Order (the “**Ancillary Order**”), among other things; (i) approving the Second Report and the Proposal Trustee’s activities set out therein; (ii) approving the fees and disbursements of the Proposal Trustee and its counsel; (iii) authorizing and approving a distribution of proceeds of the Transaction to Canadian Imperial Bank of Commerce (“**CIBC**”), up to the amount of the Companies’ indebtedness to CIBC; and (iv) extending the time for the Companies to make a proposal to their creditors (the “**Proposal Period**”) by 45 days, up to and including May 9, 2017.

BACKGROUND ON THE COMPANIES

3. MRPR is an Ontario corporation formed by the amalgamation, on May 1, 2015, of the similarly-names MRP Retail Inc. and First Avenue Media Inc. There had been two prior rounds of amalgamation on May 1, 2007 and on May 1, 1999. MRPFR is an Ontario corporation formed by the amalgamation, on May 1, 1999, of 520420 Ontario Inc. and M. & R. Perlman Inc. Copies of the corporation profile reports and amalgamation histories of the Companies formed Exhibit “A” and Exhibits “B” to my affidavit sworn February 1, 2017 (the “**First Extension Affidavit**”) and filed in the Proposal Proceeding in support of the Companies’ motion for, among other things, the first extension of the Proposal Period (the “**First Extension Motion**”).

4. MRPR is wholly-owned by R. Perlman Enterprises Inc. and M. Perlman Enterprises Inc., which are, in turn, owned by myself and my brother, Malcolm Perlman, respectively. MRPFR is owned by a broader group of members of the Perlman family.

5. The Companies (including their corporate predecessors) and the Perlman family have operated the “Jean Machine” retail clothing store chain (the “**Business**”) since 1976. The Companies had previously operated the “Sunrise Records” retail chain (“**Sunrise**”) since 1977, though that business was wound-down in an orderly fashion in 2015 through the closure of the chain’s three Toronto stores and sale of the remaining five stores.

6. The Business currently has thirty leased stores in Ontario, 27 of which are owned by MRPR, and the rest by MRPFR. The Companies have their head office, warehouse and distribution centre in premises leased from a related party at 135 Sparks Avenue, Toronto, Ontario (the “**Head Office**”).

STAKEHOLDERS

7. The Companies’ secured lenders, in descending priority, are:

- (a) Canadian Imperial Bank of Commerce (“**CIBC**”), owed approximately \$2,423,951.23 (excluding professional fees) by MRPR under an demand overdraft facility (the “**CIBC Facility**”), guaranteed by MRPFR; and
- (b) the owners, R. Perlman Enterprises Inc. and M. Perlman Enterprises Inc., owed \$2,435,534 and \$2,090,544, respectively, by MRPR (only), under secured promissory notes.

8. Apart from the above, the only other Personal Property Security Registration System (“**PPSRS**”) registrants against the Companies, and MRPR in particular, are:

- (a) Xerox Canada Ltd., in respect of certain office equipment;
- (b) Sony BMG Music (Canada) Inc. in respect of security for historic Sunrise debts no longer outstanding; and
- (c) Entertainment One Limited Partnership in respect of security for historic Sunrise debts no longer outstanding.

9. Copies of PPSRS searches in respect of the Companies, with currency to March 2, 2017, are attached as **Exhibit “A”** to this Affidavit.

10. The Business currently employs approximately 124 full-time and 128 part-time employees. It uses ADP as its payroll service provider. The employees are not unionized or subject to any collective agreement.

11. MRPR has a defined contribution pension plan for two employees (the “**Pension Plan**”). MRP’s defined annual contribution to the Pension Plan is comprised of \$3,500 for each beneficiary, for a total of \$7,000 per pension year. The employee beneficiaries do not contribute to the Pension Plan. The Pension Plan’s year end is August 31, and the contributions for the current year have not yet been made.

12. There are a total of 8 different landlords of the Business’ retail premises (the “**Retail Locations**”).

FINANCIAL DIFFICULTY AND FILING

13. The Companies suffered significant losses in connection with the orderly wind-up of Sunrise, and capital injections were required in 2015 and the first half of 2016 to fund the wind-up and the continued operations of the Business (Jean Machine). The Business then suffered a precipitous and unprecedented drop in sales during the summer of 2016. The Companies attribute this, in part, to the prolonged stretches of very hot weather experienced in Ontario that season.

14. By the Fall of 2016, it was determined that the Business could not continue to operate without further significant capital injections. Management decided, therefore, that it would be prudent to consider various strategic options, including a sale of the Business, and engaged Richter Advisory Group Inc. (“**Richter**”) to advise on such matters. The Companies, with the assistance of Richter, then began conducting a sale solicitation process (the “**Sales Process**”) in early December, 2016.

15. In December, 2016, the Companies advised CIBC that they intended to file Notices of Intention to Make a Proposal under the *Bankruptcy and Insolvency Act* (the “**BIA**”). In response, on January 6, 2017, CIBC issued formal demands for repayment of the indebtedness owing to it under its credit facility, accompanied by Notices of Intention to Enforce Security pursuant to section 244 of the BIA. The Companies were unable to pay the indebtedness owing to CIBC and, in accordance with the terms of forbearance arrangements being negotiated with CIBC, the Companies executed consents to immediate enforcement of CIBC’s security, dated January 6, 2017.

16. The Companies filed their Notices of Intention to Make a Proposal (the “NOIs”) on January 9, 2017 and Richter was appointed as the proposal trustee (the “**Proposal Trustee**”). Copies of the Companies’ certificates of were attached as Exhibit “D” to my February 1, 2017 Affidavit.

17. The NOIs were filed in order to stabilize operations and conserve liquidity to give Companies the opportunity to rationalize and restructure the Business. The Companies determined that a BIA proposal proceeding was the best way for them to complete a sale transaction and/or restructuring.

DEVELOPMENTS SINCE FILING DATE

18. Immediately upon filing of the NOIs, the Companies began to take steps to rationalize the Business including:

- (a) disclaiming the leases to three non-profitable Retail Locations (out of the thirty three stores in total), two of which were already slated to close as a result of pending lease expiries; and
- (b) continuing with the retainer of a lease consultant to determined potential value in the restructuring of their lease portfolio,

all of which actions were taken in consultation with the Proposal Trustee.

19. The disclaimers of the three Retail Locations were effective February 9, 2017 (the required notice having been sent on January 10, 2017). Two of those leases were set to expire on February 28, 2017 and the third has expired on March 31, 2016, with MRPR overholding as tenant since that date. No objection to such disclaimers was received from any landlord.

20. On January 10, 2017, CIBC, the Companies and the Companies' owners, R. Perlman Enterprises Inc. and M. Perlman Enterprises Inc., as guarantors of the CIBC credit facility, entered into a forbearance agreement pursuant to which, among other things, CIBC agreed to forbear from enforcing its security and to continue to advance credit to the Companies during the Proposal Proceedings.

21. On January 19, 2017, the Companies, with the Proposal Trustee's assistance, filed consolidated cash flows for the period from the Filing Date through to February 25, 2017, along with accompanying reports, all as required by section 50.4(2) of the BIA (collectively, the "**Original Cash Flows**"). In connection with the First Extension Motion, the Companies and the Proposal Trustee prepared extended cash flows covering the period from January 29, 2017 through March 25, 2017 (the "**First Extension Cash Flows**"). The Original Cash Flows and the First Extension Cash Flows were appended to the First Report to the Court of the Proposal Trustee, dated February 2, 2017.

22. By an Order made February 8, 2017 (the "**First Extension Order**"), this Court, among other things, extended the Proposal Period up to and including March 25, 2017 (the "**First Extension**"). Copies of the First Extension Order and the accompanying endorsement of the Honourable Justice Myers (the "**First Extension Endorsement**") are attached, collectively, as **Exhibit "B"** to this Affidavit.

23. In connection with the present motion, the Companies and the Proposal Trustee prepared extended cash flows covering the period from March 15, 2017 through May 13, 2017 (the "**Second Extension Cash Flows**" and, together with the Original Cash Flows and the First Extension Cash Flows, the "**Cash Flows**"). The Business has performed in accordance with the Original Cash Flows and the First Extension Cash Flows and, as evidenced by the Second Extension Cash Flows, the Business will have sufficient liquidity to fund operations and the costs of these proceedings until May 9, 2017. I understand that the Cash Flows will be appended to and discussed in greater detail in the Second Report, to be filed in connection with the present motion.

SALES PROCESS

24. The Sales Process, originally commenced in December, 2017, continued after the Filing Date. At the outset of the Sales Process, Richter, in consultation with the Companies, assembled and contacted a list of 32 potential strategic and financial purchasers. Interested parties who responded were each required to execute a confidentiality agreement in order to receive additional information, including access to a data room. It is my understanding that the

District of Ontario
Division No. 9 - Toronto
Estate /Court File No: 31-2205065
Estate/Court File No. 31-2205066

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

**IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF
MRP RETAIL INC. AND MRP FAMILY RETAIL INC.**

**AFFIDAVIT OF ROY PERLMAN
(sworn March 6, 2017)**

I, ROY PERLMAN, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am the Secretary and a director of each of MRP Retail Inc. (“**MRPR**”) and MRP Family Retail Inc. (“**MRPFR**”) and, together with MRPR, the “**Companies**”) and, as such, I have knowledge of the matters to which I hereinafter depose. Where information contained in this affidavit is based on information I have received from other sources, I have stated the source of that information, and in all such cases I believe that information to be true.

2. This affidavit is made in a support of a motion by the Companies for:

- (a) an Order (the “**Approval and Vesting Order**”), among other things: (i) approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale (the “**Sale Agreement**”) between the Companies and Pacific West Commercial Corporation (the “**Purchaser**”), dated March 6, 2017; (ii) vesting in the Purchaser all the Companies’ right, title and interest in and to the assets described in the Sale Agreement (the “**Purchased Assets**”); and (iii) sealing the confidential appendices to the Second Report to the Court (the

“**Second Report**”) of Richter Advisory Group Inc. (“**Richter**”), in its capacity as proposal trustee (the “**Proposal Trustee**”) in the *Bankruptcy and Insolvency Act* (the “**BIA**”) proposal proceedings (the “**Proposal Proceedings**”) of the Companies (the “**Confidential Appendices**”); and

- (b) an Order (the “**Ancillary Order**”), among other things; (i) approving the Second Report and the Proposal Trustee’s activities set out therein; (ii) approving the fees and disbursements of the Proposal Trustee and its counsel; (iii) authorizing and approving a distribution of proceeds of the Transaction to Canadian Imperial Bank of Commerce (“**CIBC**”), up to the amount of the Companies’ indebtedness to CIBC; and (iv) extending the time for the Companies to make a proposal to their creditors (the “**Proposal Period**”) by 45 days, up to and including May 9, 2017.

BACKGROUND ON THE COMPANIES

3. MRPR is an Ontario corporation formed by the amalgamation, on May 1, 2015, of the similarly-names MRP Retail Inc. and First Avenue Media Inc. There had been two prior rounds of amalgamation on May 1, 2007 and on May 1, 1999. MRPFR is an Ontario corporation formed by the amalgamation, on May 1, 1999, of 520420 Ontario Inc. and M. & R. Perlman Inc. Copies of the corporation profile reports and amalgamation histories of the Companies formed Exhibit “A” and Exhibits “B” to my affidavit sworn February 1, 2017 (the “**First Extension Affidavit**”) and filed in the Proposal Proceeding in support of the Companies’ motion for, among other things, the first extension of the Proposal Period (the “**First Extension Motion**”).

4. MRPR is wholly-owned by R. Perlman Enterprises Inc. and M. Perlman Enterprises Inc., which are, in turn, owned by myself and my brother, Malcolm Perlman, respectively. MRPFR is owned by a broader group of members of the Perlman family.

5. The Companies (including their corporate predecessors) and the Perlman family have operated the “Jean Machine” retail clothing store chain (the “**Business**”) since 1976. The Companies had previously operated the “Sunrise Records” retail chain (“**Sunrise**”) since 1977, though that business was wound-down in an orderly fashion in 2015 through the closure of the chain’s three Toronto stores and sale of the remaining five stores.

6. The Business currently has thirty leased stores in Ontario, 27 of which are owned by MRPR, and the rest by MRPFR. The Companies have their head office, warehouse and distribution centre in premises leased from a related party at 135 Sparks Avenue, Toronto, Ontario (the “**Head Office**”).

STAKEHOLDERS

7. The Companies’ secured lenders, in descending priority, are:

- (a) Canadian Imperial Bank of Commerce (“**CIBC**”), owed approximately \$2,423,951.23 (excluding professional fees) by MRPR under an demand overdraft facility (the “**CIBC Facility**”), guaranteed by MRPFR; and
- (b) the owners, R. Perlman Enterprises Inc. and M. Perlman Enterprises Inc., owed \$2,435,534 and \$2,090,544, respectively, by MRPR (only), under secured promissory notes.

8. Apart from the above, the only other Personal Property Security Registration System (“**PPSRS**”) registrants against the Companies, and MRPR in particular, are:

- (a) Xerox Canada Ltd., in respect of certain office equipment;
- (b) Sony BMG Music (Canada) Inc. in respect of security for historic Sunrise debts no longer outstanding; and
- (c) Entertainment One Limited Partnership in respect of security for historic Sunrise debts no longer outstanding.

9. Copies of PPSRS searches in respect of the Companies, with currency to March 2, 2017, are attached as **Exhibit “A”** to this Affidavit.

10. The Business currently employs approximately 124 full-time and 128 part-time employees. It uses ADP as its payroll service provider. The employees are not unionized or subject to any collective agreement.

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11. MRPR has a defined contribution pension plan for two employees (the “**Pension Plan**”). MRP’s defined annual contribution to the Pension Plan is comprised of \$3,500 for each beneficiary, for a total of \$7,000 per pension year. The employee beneficiaries do not contribute to the Pension Plan. The Pension Plan’s year end is August 31, and the contributions for the current year have not yet been made.

12. There are a total of 8 different landlords of the Business’ retail premises (the “**Retail Locations**”).

FINANCIAL DIFFICULTY AND FILING

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Confidential Appendices (to the Second Report) will provide more detailed information and analysis of the Sales Process.

25. After lengthy negotiations, the Sales Process lead to the signing of a letter of intent dated January 27, 2017 with the Purchaser in connection with the Transaction (the “**LOI**”), which contemplated a going concern sale of substantially all the assets of the Business. The LOI provided a limited exclusivity period ahead of execution of a definitive asset purchase agreement (the “**Exclusivity Period**”) for the Purchaser to consult with landlords of Retail Locations to determine whether it was reasonable to expect to obtain the certain rent concessions (the “**Rent Concessions**”) that were a condition precedent to closing of the Transaction (“**Closing**”). The LOI was amended by a letter agreement dated February 14, 2017 which, among other things, extended the Exclusivity Period and the deadline for reaching a definitive asset purchase agreement.

26. After significant further negotiation, and waiver by the Purchaser of the Rent Concessions condition, the Sale Agreement was finalized and executed on March 6, 2017. A copy of the Sale Agreement, with financial information redacted and certain schedules omitted, is attached as **Exhibit “C”** to this Affidavit. I am advised that an un-redacted copy of the Sale Agreement will be included in the Confidential Appendices.

27. The Sale Agreement provides for (among other things):

- (a) the purchase of substantially all the assets of the Business;
- (b) purchase price adjustments for:
 - (i) any fluctuation, positive or negative, in the value of inventory since the Filing Date;
 - (ii) any pre-paid rents for the Interim Period; and
 - (iii) certain deposits to suppliers for delivery of inventory post-Closing;

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 - (ii) any pre-paid rents for the Interim Period; and
 - (iii) certain deposits to suppliers for delivery of inventory post-Closing;

- 8 -

- (c) a 30-day post-closing period (the “**Interim Period**”) in which the Purchaser can designate which leases to Retail Locations and which related contracts it wishes to assume;
 - (d) the assumption of retail employees at assumed Retail Locations within the Interim Period;
 - (e) the Companies to provide the Purchaser, during the Interim Period, with the services of the Retail Locations and the retail employees thereat, all to be funded by the Purchaser;
 - (f) the Head Office related-party landlord to provide the Purchaser access and use of the Head Office for up to 12 months post-closing on a rent-free basis (the “**Head Office Occupancy Period**”), in return for the Purchaser paying all occupation costs;
 - (g) the Companies providing the Purchaser with the services of Head Office employees during the Head Office Occupancy Period, at the cost of the Purchaser; and
 - (h) the Purchaser to cover limited professional costs of the Companies in obtaining any extensions of the Proposal Period required to cover the Interim Period and any further portion of the Head Office Occupancy Period desired by the Purchaser.
28. The LOI was the highest and best offer received in the Sales Process, and the Companies view the consideration to be received from the Transaction to be reasonable and fair. The Proposal Trustee has been involved in all material discussions and negotiations concerning the Sale Process, the Sale Agreement and the Transaction, and it has indicated that it approves of the Sale Agreement and views the Transaction to be more beneficial to the creditors than a sale or disposition under a bankruptcy.
29. The Purchaser is not related to the Companies.

30. All payments required under the BIA to be made in respect of employee wages, salaries, commissions, compensation or disbursements (including vacation pay) and in respect of amounts under the Pension Plan will be paid on Closing, where accrued prior to Closing. All such amounts accruing during the Interim Period or the Head Office Occupancy Period will be paid in normal course during such post-Closing periods.
31. The proceeds of the Transaction will also be sufficient to repay all the Companies' indebtedness to CIBC. However, the Business is presently operating at a loss and the Companies' indebtedness under the CIBC Facility will continue to increase. Any delay in approval or Closing of the Transaction will therefore be to the detriment of the second ranking secured creditors, R. Perlman Enterprises Inc. and M. Perlman Enterprises Inc.

PROPOSAL PERIOD EXTENSION

32. Granting an extension of the Proposal Period up to and including May 9, 2017 will allow the Proposal Period to extend through and beyond the Interim Period, will allow the Purchaser to take additional time (beyond the Interim Period), to evaluate which, if any, Head Office employees it wishes to assume, and will allow the Companies to consider the development of a proposal to their creditors. The extension of the Proposal Period will therefor assist the Companies in maximizing value for their stakeholders.
33. The expected need for an extension beyond the First Extension was detailed in the First Extension Affidavit (at paragraph 23) and noted in First Extension Endorsement.
34. The Companies have been acting and continue to act in good faith and with due diligence in the Proposal Proceedings.
35. I believe that no creditor will be materially prejudiced by the extension requested, and that the stakeholders generally will be far better off if the business is preserved as a going concern through a proposal and/or a sale than they would be in a bankruptcy liquidation.

DISTRIBUTION TO CIBC

36. As stated above, the proceeds from the Transaction on Closing will be sufficient to repay all of the Companies' indebtedness to CIBC. The Companies desire to make that repayment in order to avoid further indebtedness for interest charges and professional fees.

37. The Proposal Trustee has advised that it has received an independent legal opinion confirming the validity, enforceability and perfect of CIBC's general security interest, subject to standard assumptions and disclaimers.

38. I am advised by counsel that CIBC is not stayed in the Proposal Proceedings because it issued demands accompanied by Notices of Intention to Enforce Security and the Companies executed consents to immediate enforcement of CIBC's security, all prior to the Filing Date.

39. The Proposal Trustee has advised the Companies that it supports the motion for, among other things, the relief set out in paragraph 2 of this Affidavit.

40. I swear this affidavit in support of the Companies motion for, among other things, the relief set out in paragraph 2 of this Affidavit and for no other or improper purpose.

SWORN BEFORE ME at the City of)
Toronto, Province of Ontario, this 6th day)
of March, 2017.)

Irene L. Matthews

Commissioner for taking affidavits)

Roy Perlman

Roy Perlman

Irene L. Matthews
Barrister, Solicitor, Notary
104-7225 Woodbine Ave.
Markham, ON L3R 1A3



TAB 3(A)

Attached is Exhibit "A" Referred to in the
AFFIDAVIT OF ROY PERLMAN
Sworn before me this 6th day of March, 2017



Irene L. Matthews

A Commissioner, etc.

Irene L. Matthews
Barrister, Solicitor, Notary
104-7225 Woodbine Ave.
Markham, ON L3R 1A3

RUN NUMBER : 062
RUN DATE : 2017/03/03
ID : 20170303080235.14

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 1
(6322)

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

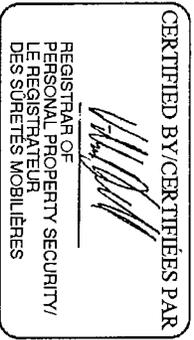
TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : MRP RETAIL INC.
FILE CURRENCY : 02MAR 2017

ENQUIRY NUMBER 20170303080235.14 CONTAINS 22 PAGE(S), 7 FAMILY(IES).

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS WHICH SET OUT A BUSINESS DEBTOR NAME WHICH IS SIMILAR TO THE NAME IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE OTHER SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

AIRD & BERLIS LLP
ATTN: SHANNON MORRIS
HOLD FOR PICK UP
TORONTO ON M5J2T9

CONTINUED... 2



RUN NUMBER : 062
RUN DATE : 2017/03/03
ID : 20170303080235.14

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 3
(6324)

TYPE OF SEARCH : BUSINESS DEFOR
SEARCH CONDUCTED ON : MRP RETAIL, INC.
FILE CURRENCY : 02MAR 2017

FORM 1-C FINANCING STATEMENT / CLAIM FOR FEN

FILE NUMBER
723898404

CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO OF PAGES SCHEDULEB NUMBER UNDER PERIOD
002 2 20170106 1427 1590 4680

DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

BUSINESS NAME

ADDRESS

ONTARIO CORPORATION NO.

DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

BUSINESS NAME

ADDRESS

ONTARIO CORPORATION NO.

SECURED PARTY /
TITEN CLAIMANT ADDRESS COMMERCE COURT WEST

COLLATERAL CLASSIFICATION
CONSUMER GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MOTOR VEHICLE AMOUNT DATE OF NO FIXED
MATURELY OR MATURELY DATE

MOTOR VEHICLE YEAR MAKE MODEL VIN

GENERAL COLLATERAL DESCRIPTION

REGISTERING AGENT ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
CONTINUED...

CERTIFIED BY / CERTIFIÉES PAR
REGISTRAR OF PERSONAL PROPERTY SECURITY /
LE REGISTRATEUR DES SÛRETES MOBILIÈRES
[Signature]
(crl/1s 09/2013)



RUN NUMBER : 062
RUN DATE : 2017/03/03
ID : 20170303080235.14

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 4
(6325)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : MRP RETAIL INC.
FILE REFERENCE : 02MAR 2017

FORM 1G FINANCING STATEMENT / CLAIM FOR LITEN

FILE NUMBER
718252974

CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULES NUMBER UNDER PERIOD
01 001 20160704 1402 1462 9367 P PPSA 6

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
NAME BUSINESS NAME MRP RETAIL INC.
03 ADDRESS 4069 GORDON BAKER RD SCARBOROUGH ONTARIO CORPORATION NO. ON M1W2P3

04 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
NAME BUSINESS NAME
05 ADDRESS XEROX CANADA LMT
06 TORONTO ONTARIO CORPORATION NO. ON M4M3H1

07 SECURED PARTY / LIEN CLAIMANT
ADDRESS 33 BLOOR ST. E. 3RD FLOOR TORONTO ONTARIO

08 COLLATERAL CLASSIFICATION
CONSUMER INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED X
MOTOR VEHICLE AMOUNT DATE OF MATURITY OR MATURITY DATE NO. FIXED
X X X

09 MOTOR YEAR MAKE MODEL VIN
10 MOTOR VEHICLE

11 GENERAL COLLATERAL DESCRIPTION
12 REGISTERING AGENT
13 ADDRESS 110 SHEPPARD AVE EAST, SUITE 303 TORONTO ON M2N6Y8
14 PPSA CANADA INC. - (39922)
15 *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
16 CONTINUED... 5

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR DES SURETÉS MOBILIÈRES
[Signature]
(s/115 09/2013)



RUN NUMBER : 062
RUN DATE : 2017/03/03
ID : 20170303080235.14

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 5
(6326)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : MRP RETAIL INC.
FILE CURRENCY : 02MAR 2017

FORM IC FINANCING STATEMENT / CLAIM FOR FIRM

FILE NUMBER
712478772

CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULES NUMBER UNDER PERIOD
001 001 20151208 1621 1862 4572 P PPSA 5

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME SURNAME
03 NAME BUSINESS NAME MRP RETAIL INC.

04 ADDRESS 4069 GORDON BAKER ROAD TORONTO ONTARIO CORPORATION NO. 1935339
M1W2P3

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
06 NAME BUSINESS NAME R. PERLMAN ENTERPRISES INC.
07 ADDRESS TORONTO ONTARIO CORPORATION NO.

08 SECURED PARTY LIEN CLAIMANT R. PERLMAN ENTERPRISES INC.
09 ADDRESS 4069 GORDON BAKER ROAD TORONTO ON M1W 2P3

10 COLLATERAL CLASSIFICATION CONSIDER INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MOTOR VEHICLE AMOUNT DATE OF NO. FIXED
X X X X MATURETY OR MATURITY DATE

11 MOTOR YEAR MAKE MODEL VALUE
12 VEHICLE

13 GENERAL COLLATERAL DESCRIPTION
14
15

16 REGISTERING AGENT MARK J. SHINER
17 ADDRESS 29 HEARTHSTONE CRES. TORONTO ON M2R 1G2

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
CONTINUED... 6

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LE REGISTREUR DES SURETES MOBILIERES
[Signature]
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RUN NUMBER : 062
RUN DATE : 2017/03/03
ID : 20170303080235.14

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 6
(6327)

TYPE OF SEARCH : BUSINESS DEFOR
SEARCH CONDUCTED ON : MRP RETAIL INC.
FILE REFERENCE : 02MAR 2017

FORM 10 FINANCING STATEMENT / CLAIM FOR LHM

FILE NUMBER
712478871

CHRYSLER PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
001 001 20151208 1624 1862 4574 P PPSA 5

02 DEFOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
NAME BUSINESS NAME MRP RETAIL INC.
ADDRESS 4069 GORDON BAKER ROAD TORONTO
ONTARIO CORPORATION NO. 1935339
ON M1W2P3

04 DEFOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
NAME BUSINESS NAME
ADDRESS
ONTARIO CORPORATION NO.
ON M1W2P3

05 DEFOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
NAME BUSINESS NAME
ADDRESS
ONTARIO CORPORATION NO.
ON M1W2P3

08 SECURED PARTY M. PERLMAN ENTERPRISES INC.
THEN CLAIMANT
ADDRESS 4069 GORDON BAKER RD. TORONTO ON M1W2P3

10 COLLATERAL CLASSIFICATION
CONSUMER INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MOTOR VEHICLE AMOUNT DATE OF NO. FIXED
GOODS X X X X MATURED OR VAPORITY DATE

11 MOTOR YEAR MAKE MODEL VIN
VEHICLE

13 GENERAL COLLATERAL
14 COLLATERAL DESCRIPTION
15 DESCRIPTION

16 REGISTERING AGENT MARK J. SHINER
ADDRESS 29 HEARTHSTONE CRBS. TORONTO ON M2R1G2

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
CONTINUED... 7

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LE REGISTRATEUR DES SÛCHÈTES MOBILIÈRES

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RUN NUMBER : 062
RUN DATE : 2017/03/03
ID : 20170303080235.14

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 7
(6328)

TYPE OF SEARCH : BUSINESS DEFOR
SEARCH CONDUCTED ON : MRP RETAIL INC.
FILE CURRENCY : 02MAR 2017

FORM IC FINANCING STATEMENT / CLAIM FOR ITEM

FILE NUMBER
641288997

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01
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CHARTER	PAGE	TOTAL	MOTOR VEHICLE	REGISTRATION	REGISTERED	REGISTRATION
NO.	NO.	PAGES	SCHEDULE	NUMBER	UNDER	PERIOD
001	2		20071210	1604	1590	4805 P PPSA 10
02						
03						
04						
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06						
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11						
12						
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16						
17						

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REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRÉTÉS MOBILIÈRES
[Signature]
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RUN NUMBER : 062
RUN DATE : 2017/03/03
ID : 20170303080235.14

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 8
(6329)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : MRP RETAIL INC.
FILE CURRENCY : 02MAR 2017

FORM 10 FINANCING STATEMENT / CLAIM FOR LEASE

FILE NUMBER
641288997

CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
002 2 20071210 1604 1590 4805

02 DEBFOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.
03 NAME BUSINESS NAME SUNRISE RECORDS DISTRIBUTION ON M1W 2P3
4069 GORDON BAKER ROAD SCARBOROUGH

04 DEBFOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.
05 NAME BUSINESS NAME ONTARIO CORPORATION NO.
06 NAME BUSINESS NAME ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT ADDRESS

09 COLLATERAL CLASSIFICATION
10 CONSUMER INVENTORY EQUIPMENT ACCOUNTS OTHER MOTOR VEHICLE AMOUNT DATE OF NO FIXED Maturity OR Priority Date

11 MOTOR YEAR MAKE MODEL VIN
12 VEHICLE

13 GENERAL COLLATERAL DESCRIPTION
14 COLLATERAL DESCRIPTION
15 DESCRIPTION

16 REGISTERING AGENT ADDRESS
17

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

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(ontfs 09/2013)



RUN NUMBER : 062
RUN DATE : 2017/03/03
ID : 20170303080235.14

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PPSR060
PAGE : 10
(6331)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : MRP RETAIL INC.
FILE CURRENCY : 02MAR 2017

FORM 20 FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED
FILING NO. OF PAGES OF SCHEDULE NUMBER UNDER
01 001 20110812 1944 1531 8366

21 RECORD REFERENCED FILE NUMBER 629829459
PAGE AMENDED NO. SPECIFIC PAGE AMENDED CHANGE REQUIRED
RENEWAL CORRECT
5 5 YEARS PERIOD

22 REFERENCE DEBTOR/ TRANSFEROR BUSINESS NAME SUNRISE RECORDS AND TAPES
FIRST GIVEN NAME INITIAL SURNAME

23 OTHER CHANGE REASON/ DESCRIPTION

24 DEBTOR/ TRANSFEROR DATE OF BIRTH BUSINESS NAME FIRST GIVEN NAME INITIAL SURNAME
02/ 03/ 04/07 ADDRESS

ONTARIO CORPORATION NO.

25 ASSIGNOR SECURED PARTY/ LIEN CLAIMANT/ ASSIGNEE ADDRESS

COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE NO. FIXED
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER ENCLOSED AMOUNT MATURITY OR MAJORITY DATE

10 MOTOR YEAR MAKE MODEL V.I.N.
11 VEHICLE GENERAL COLLATERAL REGISTERING AGENT OR ADDRESS CANADIAN SECURITIES REGISTRATION SYSTEMS BC V5G 3S8
12 REGISTERED PARTY/ LIEN CLAIMANT 4126 NORLAND AVENUE BURNABY
13
14
15
16
17

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 11

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[Signature]
(c/125 09/2013)



RUN NUMBER : 062
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 ID : 20170303080235.14

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE
 CERTIFICATE

REPORT : PSSR060
 PAGE : 11
 (6332)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : MRP RETAIL INC.
 FILE CURRENCY : 02MAR 2017

FORM 26 FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION PAGE NO. OF PAGES MOTOR VEHICLE REGISTRATION NUMBER REGISTERED UNDER
 FILING NO. OF PAGES SCHEDULE 20160823 1440 1530 6168
 01 001

21 RECORD REFERENCED FILE NUMBER 629829459
 PAGE AMENDED NO. SPECIFIC PAGE AMENDED CHANGE REQUIRED RENEWAL CORRECT PERIOD
 REFERENCED X 5 RENEWAL

22 REFERENCE DEBTOR/ TRANSFEROR BUSINESS NAME FIRST GIVEN NAME INITIAL SURNAME
 SUNRISE RECORDS AND TAPE

23 DEBTOR/ TRANSFEROR BUSINESS NAME FIRST GIVEN NAME INITIAL SURNAME
 SUNRISE RECORDS AND TAPE

24 OTHER CHANGE DEBTOR/ TRANSFEROR BUSINESS NAME FIRST GIVEN NAME INITIAL SURNAME
 DEBTOR/ TRANSFEROR BUSINESS NAME FIRST GIVEN NAME INITIAL SURNAME
 02/ DATE OF BIRTH
 05/ DEBTOR/ TRANSFEROR BUSINESS NAME FIRST GIVEN NAME INITIAL SURNAME
 03/ TRANSFEREE BUSINESS NAME FIRST GIVEN NAME INITIAL SURNAME
 06/ TRANSFEREE BUSINESS NAME FIRST GIVEN NAME INITIAL SURNAME
 04/07 ADDRESS

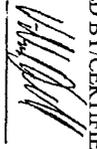
29 ASSIGNOR SECURED PARTY/ LIEN CLAIMANT/ ASSIGNEE ADDRESS
 08 SECURED PARTY/ LIEN CLAIMANT/ ASSIGNEE ADDRESS
 09 COLLATERAL CLASSIFICATION ADDRESS

10 COLLATERAL CLASSIFICATION ADDRESS
 CONSUMER INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED AMOUNT MATURITY OF PRIORITY DATE NO. FIXED
 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED AMOUNT MATURITY OF PRIORITY DATE

11 MOTOR YEAR MAKE MODEL V-T-N
 12 VEHICLE GENERAL COLLATERAL DESCRIPTION REGISTERING AGENT OR ADDRESSES CANADIAN SECURITIES REGISTRATION SYSTEMS BURRABY BC V5G 3S8
 13 GENERAL COLLATERAL DESCRIPTION REGISTERING AGENT OR ADDRESSES CANADIAN SECURITIES REGISTRATION SYSTEMS BURRABY BC V5G 3S8
 14 COLLATERAL DESCRIPTION REGISTERING AGENT OR ADDRESSES CANADIAN SECURITIES REGISTRATION SYSTEMS BURRABY BC V5G 3S8
 15 DESCRIPTION REGISTERING AGENT OR ADDRESSES CANADIAN SECURITIES REGISTRATION SYSTEMS BURRABY BC V5G 3S8
 16 SECURED PARTY/ LIEN CLAIMANT
 17 LIEN CLAIMANT

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
 CONTINUED... 12

ONTARIO CORPORATION NO.

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 REGISTRAR OF PERSONAL PROPERTY SECURITY/
 LE REGISTRATEUR DES SÔCÉTÉS MOBILIÈRES
 (c/2s 09/2015)



RUN NUMBER : 062
RUN DATE : 2017/03/03
ID : 20170303080235.14

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PPSR060
PAGE : 14
(6335)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : MRP RETAIL, INC.
FILE CURRENCY : 02MAR 2017

FORM 20 FINANCING CHANGES STATEMENT / CHANGE STATEMENT

CAPTION	PAGE NO.	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REISSUED UNDER	RENEWAL YEARS	CORRECT PERIOD
01 RECORD	02	002	19970506	1707 1825	7470		
21 RECORD REFERENCED	FILE NUMBER	817885521					
22	PAGE AMENDED	NO. SPECIFIC PAGE AMENDED	CHANGE REQUIRED				

23 REFERENCE DEBTOR / TRANSFEROR
BUSINESS NAME
INITIAL SURNAME

25 OTHER CHANGE REASON / DESCRIPTION
DATE OF BIRTH
FIRST GIVEN NAME
INITIAL SURNAME

05 DEBTOR / TRANSFEREE
BUSINESS NAME
ADDRESS
FIRST GIVEN NAME
INITIAL SURNAME
JEAN MACHINE, SUNRISE RECORDS & TAPES, SUNRISE RECORD DISTRIBUTORS
ONTARIO CORPORATION NO.

29 ASSIGNOR SECURED PARTY/LIEN CLAIMANT/ASSIGNEE
ADDRESS

09 COLLATERAL CLASSIFICATION
CONSUMER
MOTOR VEHICLE
DATE OF NO. FIXED

10 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED AMOUNT MATURITY OF MATURITY DATE
YEAR MAKE MODEL V-I-N

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED...

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RUN NUMBER : 062
RUN DATE : 2017/03/03
ID : 20170303080235.14

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 15
(6336)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : MRP RETAIL INC.
FILE CURRENCY : 02MAR 2017

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CATION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED
FILING NO. OF PAGES SCHEDULE NUMBER UNDER
01 003 19991101 1030 1529 6383

21 RECORD REFERENCED FILE NUMBER 817885521

22 PAGE AMENDED NO. SPECIFIC PAGE AMENDED CHANGE REQUIRED RENEWAL CORRECT
X PERIOD YEARS PERIOD

23 REFERENCE BUSINESS NAME M. PERLMAN ENTERPRISES INC.
24 DEBTOR/ TRANSFEROR

25 OTHER CHANGE DEBTOR'S NAME HAS BEEN AMENDED ON PAGE 1, LINE 3 AND 6 DUE TO
26 REASON/ AMALGAMATION AND DEBTOR'S ADDRESS HAS BEEN AMENDED ON PAGE 1, LINE
27 DESCRIPTION 4 AND 7, PAGE 2, LINE 4 ON REGISTRATION NUMBER 19951106163318252474
28

02/ DEBTOR/ DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
03/ TRANSFEREE BUSINESS NAME MRP RETAIL INC.
04/07 ADDRESS 4069 GORDON BAKER ROAD SCARBOROUGH ONTARIO CORPORATION NO. ON MW 2P3

29 ASSIGNOR SECURED PARTY/ALIEN CLAIMANT/ASSIGNEE
08 ADDRESS
09 COLLATERAL CLASSIFICATION

10 CONSUMER MOTOR VEHICLE NO. FIXED
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED AMOUNT MATURITY OR WAIVER DATE

11 MOTOR YEAR MAKE MODEL V.I.N.
12 VEHICLE
13 GENERAL
14 COLLATERAL DESCRIPTION
15 REGISTERING AGENT OF ADDRESS CANADIAN SECURITIES REGISTRATION SYSTEMS RICHMOND BC V6V2L1
16 SECURED PARTY/ ALIEN CLAIMANT SUITE 180-13571 COMMERCE PARKWAY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 16

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RUN NUMBER : 062
RUN DATE : 2017/03/03
ID : 20170303080235.14

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PPSR060
PAGE : 16
(6337)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : MRP RETAIL INC.
FILE CURRENCY : 02MAR 2017

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED
FILING NO. OF PAGES SCHEDULE NUMBER UNDER
02 003 19991101 1030 1529 6383

21 RECORD REFERENCED FILE NUMBER 817885521
PAGE AMENDED NO. SPECIFIC PAGE AMENDED CHANGE REQUIRED RENEWAL CORRECT
PERIOD YEARS PERIOD

22 REFERENCE DEBTOR/ TRANSFEROR BUSINESS NAME FIRST GIVEN NAME INITIAL SURNAME
23 DEBTOR/ TRANSFEROR BUSINESS NAME FIRST GIVEN NAME INITIAL SURNAME

24 OTHER CHANGE REASON/ DESCRIPTION DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
25 DEBTOR/ TRANSFEROR BUSINESS NAME FIRST GIVEN NAME INITIAL SURNAME

26 DEBTOR/ TRANSFEROR BUSINESS NAME FIRST GIVEN NAME INITIAL SURNAME
27 DEBTOR/ TRANSFEROR BUSINESS NAME FIRST GIVEN NAME INITIAL SURNAME
28 DEBTOR/ TRANSFEROR BUSINESS NAME FIRST GIVEN NAME INITIAL SURNAME
02/ DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
05/ DEBTOR/ TRANSFEROR BUSINESS NAME FIRST GIVEN NAME INITIAL SURNAME
03/ DEBTOR/ TRANSFEROR BUSINESS NAME FIRST GIVEN NAME INITIAL SURNAME
06/ DEBTOR/ TRANSFEROR BUSINESS NAME FIRST GIVEN NAME INITIAL SURNAME
04/07 ADDRESS 4069 GORDON BAKER ROAD SCARBOROUGH ONTARIO CORPORATION NO. MW 2P3

29 ASSIGNOR SECURED PARTY/ LIEN CLAIMANT/ ASSIGNEE ADDRESS
08 COLLATERAL CLASSIFICATION ADDRESS
09 COLLATERAL CLASSIFICATION ADDRESS

10 CONSIDER INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MOTOR VEHICLE AMOUNT WAIVER OR MAJORITY DATE NO. FIXED
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MOTOR VEHICLE AMOUNT WAIVER OR MAJORITY DATE NO. FIXED

11 MOTOR YEAR MAKE MODEL V.I.N.
12 VEHICLE GENERAL COLATERAL DESCRIPTION REGISTERING AGENT OF SECURED PARTY/ LIEN CLAIMANT ADDRESS
13 GENERAL COLATERAL DESCRIPTION REGISTERING AGENT OF SECURED PARTY/ LIEN CLAIMANT ADDRESS
14 COLATERAL DESCRIPTION REGISTERING AGENT OF SECURED PARTY/ LIEN CLAIMANT ADDRESS
15 COLATERAL DESCRIPTION REGISTERING AGENT OF SECURED PARTY/ LIEN CLAIMANT ADDRESS
16 COLATERAL DESCRIPTION REGISTERING AGENT OF SECURED PARTY/ LIEN CLAIMANT ADDRESS
17 COLATERAL DESCRIPTION REGISTERING AGENT OF SECURED PARTY/ LIEN CLAIMANT ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
CONTINUED...

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RUN NUMBER : 062
RUN DATE : 2017/03/03
ID : 201703080235.14

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 17
(6338)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : MRP RETAIL INC.
FILE CURRENCY : 02MAR 2017

FORM 20 FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CATION FILING NO. OF PAGES 03
NORMAL MOTOR VEHICLE REGISTRATION NUMBER 19991101103015296383
SCHEDULE UNDER

21 RECORD REFERENCED
FILE NUMBER 817885521

PAGE AMENDED NO. SPECIFIC PAGE AMENDED CHANGE REQUIRED RENEWAL CORRECT PERIOD
YEARS

22 REFERENCE DEBTOR/ TRANSFEROR
BUSINESS NAME FIRST GIVEN NAME INITIAL SURNAME

23 OTHER CHANGE REASON/ DESCRIPTION
DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

24 DEBTOR/ TRANSFEROR
BUSINESS NAME ADDRESS 4069 GORDON BAKER ROAD SCARBOROUGH ONTARIO CORPORATION NO. ON M1W 2P3

25 ASSIGNOR SECURED PARTY/ LIEN CLAIMANT/ ASSIGNEE
COLLATERAL CLASSIFICATION ADDRESS
CONSUMER INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED AMOUNT MATURITY OR VALEABILITY DATE
NO. FIXED

26 MOTOR YEAR MAKE MODEL V-I-N
27 GENERAL COLLATERAL DESCRIPTION
28 REGISTERING AGENT OF SECURED PARTY/ LIEN CLAIMANT ADDRESS
29

*** FOR FURTHER INFORMATION CONTACT THE SECURED PARTY. ***

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RUN NUMBER : 062
RUN DATE : 2017/03/03
ID : 20170303080235.14

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 18
(6339)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : MRP RETAIL INC.
FILE CURRENCY : 02MAR 2017

FORM 20 FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED
FILING NO. OF PAGES SCHEDULE NUMBER UNDER
01 001 20000818 1074 1529 8200

21 RECORD REFERENCED FILE NUMBER 817885521
PAGE AMENDED NO. SPECIFIC PAGE AMENDED CHANGE REQUIRED RENEWAL CORRECT
X PERIOD
5 YEARS PERIOD

22 REFERENCE DEBTOR/ TRANSFEROR BUSINESS NAME MRP RETAIL INC.
FIRST GIVEN NAME INITIAL SURNAME

23 OTHER CHANGE REASON/ DESCRIPTION
24 DEBTOR/ TRANSFEROR BUSINESS NAME MRP RETAIL INC.
FIRST GIVEN NAME INITIAL SURNAME

25 DEBTOR/ TRANSFEROR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
26 DEBTOR/ TRANSFEROR BUSINESS NAME MRP RETAIL INC.
27 DEBTOR/ TRANSFEROR ADDRESS
28 DEBTOR/ TRANSFEROR ADDRESS
29 ASSIGNOR SECURED PARTY/ITM CLAIMANT/ASSIGNEE
30 DEBTOR/ TRANSFEROR BUSINESS NAME MRP RETAIL INC.
31 DEBTOR/ TRANSFEROR ADDRESS
32 DEBTOR/ TRANSFEROR ADDRESS

33 COLLATERAL CLASSIFICATION ADDRESS
34 COLLATERAL CLASSIFICATION ADDRESS
35 COLLATERAL CLASSIFICATION ADDRESS
36 COLLATERAL CLASSIFICATION ADDRESS
37 COLLATERAL CLASSIFICATION ADDRESS
38 COLLATERAL CLASSIFICATION ADDRESS
39 COLLATERAL CLASSIFICATION ADDRESS
40 COLLATERAL CLASSIFICATION ADDRESS
41 COLLATERAL CLASSIFICATION ADDRESS
42 COLLATERAL CLASSIFICATION ADDRESS
43 COLLATERAL CLASSIFICATION ADDRESS
44 COLLATERAL CLASSIFICATION ADDRESS
45 COLLATERAL CLASSIFICATION ADDRESS
46 COLLATERAL CLASSIFICATION ADDRESS
47 COLLATERAL CLASSIFICATION ADDRESS
48 COLLATERAL CLASSIFICATION ADDRESS
49 COLLATERAL CLASSIFICATION ADDRESS
50 COLLATERAL CLASSIFICATION ADDRESS

51 MOTOR YEAR MAKE MODEL V.I.N.
52 VEHICLE
53 GENERAL
54 COLLATERAL
55 DESCRIPTION
56 REGISTERING AGENT OR
57 SECURED PARTY/ ITM CLAIMANT ADDRESS
58 CANADIAN SECURITIES REGISTRATION SYSTEMS
59 SUITE 180-13571 COMMERCE PARKWAY RICHMOND BC V6V2L1
60 LEEN CLAIMANT

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
CONTINUED... 19

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LE REGISTRATEUR DES SÛRÉTÉS MOBILIÈRES
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(c)2015 09/2013



RUN NUMBER : 062
RUN DATE : 2017/03/03
ID : 20170303080235.14

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : P5SR060
PAGE : 19
(6340)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : MRP RETAIL INC.
FILE CURRENCY : 02MAR 2017

FORM 20 FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CARRION PAGE NO. OF PAGES TOTAL MOTOR VEHICLE REGISTRATION NUMBER REGISTERED UNDER
FILING NO. OF PAGES SCHEDULE 01 001 20050314 1452 1530 0592

21 RECORD REFERENCED FILE NUMBER 817885521
PAGE AMENDED NO. SPECIFIC PAGE AMENDED CHANGE REQUIRED RENEWAL CORRECT PERIOD
X B RENEWAL 5

22 REFERENCE DEBTOR/ TRANSFEROR BUSINESS NAME MRP RETAIL INC.
FIRST GIVEN NAME INITIAL SURNAME

23 OTHER CHANGE REASON/ DESCRIPTION DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

24 DEBTOR/ TRANSFEREE BUSINESS NAME MRP RETAIL INC.
ADDRESS ONTARIO CORPORATION NO.

25 ASSIGNOR SECURED PARTY/LIEN CLAIMANT/ASSIGNEE
ADDRESS

26 COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE NO. FIXED
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED AMOUNT MATURITY OR WAJORITY DATE

27 MOTOR YEAR MAKE MODEL V-I-N
28 VEHICLE GENERAL COLLATERAL DESCRIPTION REGISTRATION AGENT OR ADDRESS BC V6V2L1
29 SECURED PARTY/LIEN CLAIMANT
30 LIEN CLAIMANT

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

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REGISTRAR OF PERSONAL PROPERTY SECURITY/
LE RÉGISTRATEUR DES SÛRETÉS MOBILIÈRES
[Signature]
(07/25 09/2013)



RUN NUMBER : 062
RUN DATE : 2017/03/03
ID : 20170303080235.14

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 20
(6341)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : MRP RETAIL INC.
FILE CURRENCY : 02MAR 2017

FORM 26 FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAPTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED
FILING NO. OF PAGES SCHEDULE NUMBER UNDER
01 001 20100314 1453 1530 8306

21 RECORD REFERENCED FILE NUMBER 817885521
PAGE AMENDED NO. SPECIFIC PAGE AMENDED CHANGE REQUIRED RENEWAL CORRECT
X B RENEWAL 5 PERIOD

22 REFERENCE DEBTOR/ TRANSFEROR BUSINESS NAME MRP RETAIL INC.
FIRST GIVEN NAME INITIAL SURNAME

23 DEBTOR/ TRANSFEROR BUSINESS NAME MRP RETAIL INC.
FIRST GIVEN NAME INITIAL SURNAME

25 OTHER CHANGE REASON/ DESCRIPTION
26 DEBTOR/ TRANSFEROR BUSINESS NAME MRP RETAIL INC.
27 FIRST GIVEN NAME INITIAL SURNAME
28 DATE OF BIRTH

05 DEBTOR/ TRANSFEROR BUSINESS NAME MRP RETAIL INC.
06 FIRST GIVEN NAME INITIAL SURNAME
04/07 ADDRESS ONTARIO CORPORATION NO.

29 ASSIGNOR SECURED PARTY/ LIEN CLAIMANT/ ASSIGNEE
ADDRESS

08 COLLATERAL CLASSIFICATION ADDRESS
09 CONSUMER INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED AMOUNT MATURITY OR MAJORITY DATE

10 MOTOR YEAR MAKE MODEL V.I.N.
11 VEHICLE GENERAL COLLATERAL DESCRIPTION
12 REGISTERING AGENT OF SECURED PARTY/ LIEN CLAIMANT
13 CANADIAN SECURITIES REGISTRATION SYSTEMS
14 SUITE 200, 4126 NORLAND AVENUE
15 BURNABY BC V5G 3S8
16
17

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 21

CERTIFIED BY/CERTIFIÉS PAR
REGISTRAR OF PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR DES SÛCHÈTES MOBILIÈRES
[Signature]
(c/26 09/2013)



RUN NUMBER : 062
RUN DATE : 2017/03/03
ID : 20170303080235.14

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 21
(6342)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : MRP RETAIL INC.
FILE CURRENCY : 02MAR 2017

FORM 20 FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CARRION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED
FILING NO. OF PAGES SCHEDULE NUMBER UNDER
01 001 20150825 1443 1530 4332

21 RECORD REFERENCED FILE NUMBER 817885521
PAGE AMENDED NO. SPECIFIC PAGE AMENDED CHANGE REQUIRED RENEWAL CORRECT PERIOD
X 5 RENEWAL 5

22 REFERENCE BUSINESS NAME MRP RETAIL INC. INITIAL SURNAME
23 DEBTOR/ TRANSFEROR
24 OTHER CHANGE REASON/ DESCRIPTION
25 DEBTOR/ TRANSFEROR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
26 DEBTOR/ TRANSFEROR BUSINESS NAME MRP RETAIL INC. INITIAL SURNAME
27 DEBTOR/ TRANSFEROR BUSINESS NAME MRP RETAIL INC. INITIAL SURNAME
28 DEBTOR/ TRANSFEROR BUSINESS NAME MRP RETAIL INC. INITIAL SURNAME
29 DEBTOR/ TRANSFEROR BUSINESS NAME MRP RETAIL INC. INITIAL SURNAME
30 DEBTOR/ TRANSFEROR BUSINESS NAME MRP RETAIL INC. INITIAL SURNAME

04/07 ADDRESS ONTARIO CORPORATION NO.

08 ASSIGNOR SECURED PARTY/LIEN CLAIMANT/ASSIGNEE ADDRESS
09 COLLATERAL CLASSIFICATION ADDRESS
10 CONSUMER INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED AMOUNT MATURITY OR MATURITY DATE
11 MOTOR VEHICLE YEAR MAKE MODEL V-I-N
12 GENERAL COLLATERAL DESCRIPTION REGISTERING AGENT OR SECURED PARTY/LIEN CLAIMANT ADDRESS D-H LIMITED PARTNERSHIP SITE 200, 4126 NORLAND AVENUE BURRABY BC V5G 3S8

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 22

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR DES SÛRÉTÉS MOBILIÈRES
M. J. [Signature]
(c)2s 09/2013



RUN NUMBER : 062
RUN DATE : 2017/03/03
ID : 20170303080235.14

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 22
(6343)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : MRP RETAIL INC.
FILE CURRENCY : 02MAR 2017

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
723898404	20170106 1427 1590 4680				
718252974	20160704 1402 1462 9367				
712478772	20151208 1621 1862 4572				
712478871	20151208 1624 1862 4574				
641288997	20071210 1604 1590 4805				
629829459	20061017 1947 1531 8060	20110812 1944 1531 8366	20160823 1440 1530 6168		
817885521	19951106 1633 1825 2474	19970506 1707 1825 7470	19991101 1030 1529 6383	20000818 1044 1529 8200	
	20050314 1452 1530 0692	20100914 1453 1530 8306	20150825 1443 1530 4332		

15 REGISTRATIONS(S) ARE REPORTED IN THIS ENQUIRY RESPONSE.

CERTIFIED BY/CERTIFIÉES PAR



REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETTES MOBILIÈRES

(cfrs 09/2013)



RUN NUMBER : 062
RUN DATE : 2017/03/03
ID : 20170303080244.44

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 1
(6344)

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR

SEARCH CONDUCTED ON : MRP FAMILY RETAIL INC.

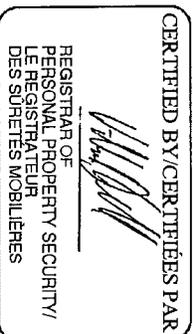
FILE CURRENCY : 02MAR 2017

ENQUIRY NUMBER 20170303080244.44 CONTAINS 3 PAGE(S), 1 FAMILY(IES).

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS WHICH SET OUT A BUSINESS DEBTOR NAME WHICH IS SIMILAR TO THE NAME IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE OTHER SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

AIRD & BERLIS LLP
ATTN: SHANNON MORRIS
HOLD FOR PICK UP
TORONTO ON M5J2T9

CONTINUED...



(s/s 09/2013)



RUN NUMBER : 062
RUN DATE : 2017/03/03
ID : 20170303080244.44

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 3
(6346)

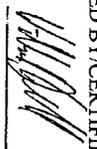
TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : MRP FAMILY RETAIL INC.
FILE CURRENCY : 02MAR 2017

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
689977674	20130903	1933	1531	9941

1 REGISTRATION(S) ARE REPORTED IN THIS ENQUIRY RESPONSE.

CERTIFIED BY/CERTIFIÉS PAR



REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SURETÉS MOBILIÈRES

(cfr/s 09/2013)



TAB 3(B)

Attached is Exhibit "B" Referred to in the
AFFIDAVIT OF ROY PERLMAN
Sworn before me this 6th day of March, 2017

Irene L. Matthews

A Commissioner, etc.

Irene L. Matthews
Barrister, Solicitor, Notary
104-7215 Woodbine Ave.
Markham, ON L3R 1A3



District of Ontario
Division No. 9 - Toronto
Estate/Court File No: 31-2205065
Estate/Court File No. 31-2205066

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

THE HONOURABLE) WEDNESDAY, THE 8th DAY
)
JUSTICE MYERS) OF FEBRUARY, 2017

**IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF
MRP RETAIL INC. AND MRP FAMILY RETAIL INC.**



ORDER

THIS MOTION, made by MRP Retail Inc. (“**MRPR**”) and MRP Family Retail Inc. (“**MRPFR**” and, together with MRPR, the “**Companies**”), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Motion Record of the Companies, including the Affidavit of Roy Perlman sworn February 1, 2017 and the exhibits thereto, on reading the First Report to the Court of Richter Advisory Group Inc., in its capacity as proposal trustee (the “**Proposal Trustee**”) in the Companies’ *Bankruptcy and Insolvency Act* (the “**BIA**”) proposal proceedings (collectively, the “**Proposal Proceedings**”) dated February 3, 2017 (the “**First Report**”), and on hearing the submissions of counsel for the Companies, counsel for the Proposal Trustee, counsel for Canadian Imperial Bank of Commerce and no one else appearing although properly served as appears from the affidavit of Daphne Porter, sworn February 1, 2017, filed,

SERVICE

1. **THIS COURT ORDERS** that the time for service and filing of the notice of motion and the motion record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPROVAL OF ACTIVITIES

2. **THIS COURT ORDERS** that the First Report be and is hereby approved and the activities of the Proposal Trustee described therein be and are hereby approved;

ADMINISTRATIVE CONSOLIDATION

3. **THIS COURT ORDERS** that the Proposal Proceedings of MRPR (Estate Number 31-2205066) and MRPFR (Estate Number 31-2205065) are hereby administratively consolidated and the Proposal Proceedings are hereby authorized and directed to continue under the following title of proceedings, *nunc pro tunc*:

Estate/Court File No: 31-2205065

Estate/Court File No. 31-2205066

**IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A
PROPOSAL OF
MRP RETAIL INC. AND MRP FAMILY RETAIL INC.**

4. **THIS COURT ORDERS** that all further materials in the Proposal Proceedings shall be filed with the Court only in the MRPFR Estate and Court File, being Estate/Court File Number 31-2205065.

EXTENSION OF TIME

5. **THIS COURT ORDERS** that the time for the filing of a proposal by the Companies is hereby extended in accordance with section 50.4(9) of the BIA up to and including March 25, 2017.

SERVICE AND NOTICE

6. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the “**E-Service Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the E-Service Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the E-Service Protocol, service of documents in accordance with the E-Service Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the E-Service Protocol with the following URL ‘<http://www.richter.ca/en/folder/insolvency-cases/M/MRP-Retail-Inc>’.

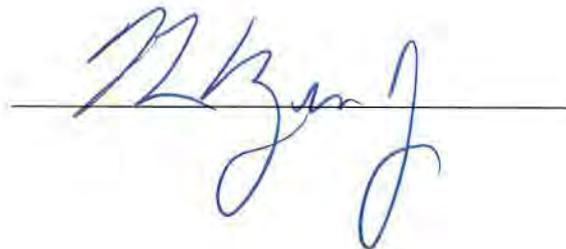
7. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the E-Service Protocol is not practicable, the Companies and the Proposal Trustee are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Companies’ creditors or other interested parties at their respective addresses as last shown on the records of the Companies and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

8. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or elsewhere, to give effect to this Order and to assist the Companies, the Proposal Trustee 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 provide such assistance to the Companies 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

- 4 -

foreign proceeding, or to assist the Companies and the Proposal Trustee 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:

FEB 08 2017

PER / PAR:



**IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF
MRP RETAIL INC. AND MRP FAMILY RETAIL INC.**

District of Ontario
Division No. 9 - Toronto
Estate/Court File No: 31-2205065
Estate/Court File No. 31-2205066

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

Proceedings commenced at Toronto

ORDER

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Lawyers for the MRP Retail Inc. and MRP Family Retail Inc.

IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL
OF MRP RETAIL INC. AND MRP FAMILY RETAIL INC.

District of Ontario
Division No. 9 - Toronto
Estate/Court File No: 31-2205065
Estate/Court File No. 31-2205066

Feb 8/17

S. BABE for MRP

A. CHAILON for CIBC

to CIBC for Proposal Trustee.

I am satisfied that the proposed extension is appropriate. The App is received in good faith and with due diligence. The App. may request a further extension and if so will deliver proper material at that time. Order signed as asked.

Feb 8/17

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

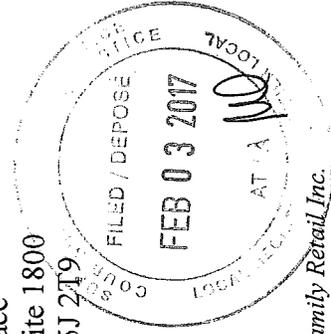
Proceedings commenced at Toronto

MOTION RECORD

AIRD & BERLIS LLP
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Sam Babe (LSUC # 49498B)
Tel: (416) 865-7718
Fax: (416) 863-1515
E-mail: sbabe@airdberlis.com

Lawyers for MRP Retail Inc. and MRP Family Retail Inc.



TAB 3(C)

Attached is Exhibit "C" Referred to in the
AFFIDAVIT OF ROY PERLMAN
Sworn before me this 6th day of March, 2017



28629019.3

Irene L. Matthews

A Commissioner, etc.

Irene L. Matthews
Barrister, Solicitor, Notary
104-7225 Woodbine Ave.
Markham, ON L3R 1A3

MRP RETAIL INC. and MRP FAMILY RETAIL INC.

as Vendors

and

PACIFIC WEST COMMERCIAL CORPORATION

as Purchaser

ASSET PURCHASE AGREEMENT

March 6, 2017

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ASSET PURCHASE AGREEMENT

This asset purchase agreement is dated March 6, 2017 between MRP Retail Inc. and MRP Family Retail Inc. (collectively, the “**Vendors**”) and Pacific West Commercial Corporation (the “**Purchaser**”).

WHEREAS:

- (a) the Vendors filed notices of intention to make proposals (the “**NOIs**”) under the *Bankruptcy and Insolvency Act* (the “**BIA**”) on January 9, 2017 (the “**Filing Date**”);
- (b) on February 8, 2017, the Vendors obtained an order of the Ontario Superior Court of Justice, Commercial List (the “**Court**”), among other things, administratively consolidating their separate BIA proceedings into one proceeding (the “**Proposal Proceeding**”);
- (c) the Vendors carry on the Jean Machine retail clothing business (the “**Business**”);
- (d) the Purchaser delivered, and the Vendors executed in acceptance, a letter of intent dated January 27, 2017 in respect of a transaction involving the purchase and sale of substantially all of the assets used in the Business and the assignment and assumption of certain liabilities of the Vendors (the “**Transaction**”), which letter of intent was amended by a letter agreement between the Purchaser and the Vendors dated as of February 14, 2017 (as amended, the “**LOI**”); and
- (e) the definitive terms and conditions of the Transaction are contained in this Agreement.

In consideration of the above and for other good and valuable consideration, the parties agree as follows.

ARTICLE 1 INTERPRETATION

Section 1.1 Definitions.

As used in this Agreement, the following terms have the following meanings:

“**Agreement**” means this asset purchase agreement, including all schedules annexed hereto, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms hereof.

“**Approval and Vesting Order**” means an approval and vesting order of the Court approving this Agreement and the transactions contemplated hereby, vesting in and to the Purchaser the Purchased Assets free and clear of and from any and all

Encumbrances other than Permitted Encumbrances and exempting the parties from compliance with the applicable provisions of the *Bulk Sales Act* (Ontario).

“Assigned Contract” means a contract (other than a lease of real or immovable property) to which a Vendor is a party that is assigned to the Purchaser at Closing or is the subject of an Assignment Notice and, in either case, the benefit of which is assigned to the Purchaser in accordance with Article 4 or by way of an Assignment Order.

“Assigned Lease” means a lease of real (or immovable) property to which a Vendor is a party as tenant that is assigned to the Purchaser at Closing or is the subject of an Assignment Notice and, in either case, the benefit of which is assigned to the Purchaser in accordance with Article 4 or by way of an Assignment Order.

“Assignment Order” means an order of the Court requiring the assignment to the Purchaser of contracts and/or leases designated by the Purchaser to which a Vendor is a party, in form and substance satisfactory to the Purchaser and the Proposal Trustee, acting reasonably.

“Business Day” means any day of the year, other than a Saturday, Sunday or any day on which Canadian chartered banks are closed for business in Toronto, Ontario.

“Closing Date” means the date that is two (2) Business Days after the date the Approval and Vesting Order is obtained or such other date as the parties agree to in writing with the consent of the Proposal Trustee, but no later than the Outside Date.

“Consent Required Agreement” means an agreement to which a Vendor is a party which is not, other than by Assignment Order, assignable in whole or in part without the consent, approval or waiver of the counterparty thereto.

“Cure Payment” means a payment required to cure any existing monetary default or breach of the Vendors under any contract or lease which is to become an Assigned Contract or Assigned Lease as at the date such contract or lease, respectively, becomes an Assigned Contract or Assigned Lease.

“Deposit” means the deposit of ████████ paid on January 31, 2017 by the Purchaser to the Proposal Trustee, in trust, pursuant to the LOI;

“Designation Deadline” means the date that is 30 days after the Closing Date.

“Employee Plans” means all the employee benefit, fringe benefit, supplemental unemployment benefit, bonus, incentive, profit sharing, termination, change of control, retirement, health, welfare, medical, dental, disability, life insurance and similar plans, programs, arrangements or practices relating to the current or former directors, officers or employees (or any spouses, dependants, survivors or beneficiaries of any such current or former directors, officers or employees) of the Vendors maintained, sponsored or funded by the Vendors, whether written or oral,

funded or unfunded, insured or self-insured, registered or unregistered and for greater clarity, includes the Pension Plan.

“Encumbrances” means any mortgage, charge, pledge, hypothec, security interest, assignment, lien (statutory or otherwise), easement, license, right of first refusal or first offer, title retention agreement or arrangement, conditional sale, deemed or statutory trust, restrictive covenant, execution, levies, or other financial or monetary claims or encumbrances of any nature (whether at law or equity), and any contract, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing.

“Governmental Entity” means: (i) any governmental or public department, central bank, court, minister, governor-in-council, cabinet, commission, tribunal, board, bureau, agency, commissioner or instrumentality, whether international, multinational, national, federal, provincial, state, county, municipal, local, or other; (ii) any subdivision or authority of any of the above; and (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above.

“Head Office” means the Vendors’ leased head office, warehouse and distribution center located at 135 Sparks Avenue, Toronto, Ontario.

“Intellectual Property” means domestic and foreign: (i) patents, applications for patents and reissues, divisions, continuations, renewals, extensions and continuations-in-part of patents or patent applications; (ii) proprietary and non-public business information, including inventions (whether patentable or not), invention disclosures, improvements, discoveries, trade secrets, confidential information, know-how, methods, processes, designs, technology, technical data, schematics, formulae and customer lists, and documentation relating to any of the foregoing; (iii) copyrights, copyright registrations and applications for copyright registration; (iv) mask works, mask work registrations and applications for mask work registrations; (v) designs, design registrations, design registration applications and integrated circuit topographies; (vi) trade names, business names, corporate names, domain names, website names and world wide web addresses, common law trade-marks, trade-mark registrations, trade mark applications, trade dress and logos, and the goodwill associated with any of the foregoing; (vii) computer software and programs (both source code and object code form), all proprietary rights in the computer software and programs and all documentation and other materials related to the computer software and programs; and (viii) any other intellectual property and industrial property.

“Laws” means any principle of common law and all applicable: (i) laws, constitutions, treaties, statutes, codes, ordinances, orders, decrees, rules, regulations and by-laws; (ii) judgments, orders, writs, injunctions, decisions, awards and directives of any Governmental Entity; and (iii) to the extent that they are treated as binding by the Governmental Entity, have the force of law, policies, guidelines, notices and protocols of any Governmental Entity.

“Leased Premises” means those lands and premises that are subject to the leases for real property to which any Vendor is a party as tenant.

“Ordinary Course” means, with respect to the Vendors, an action substantially in accordance with the recent past practices of the Vendors prior to the filing of the NOIs and taken in the ordinary course of the normal day-to-day business and operations of the Vendors, provided that such action is in compliance, in all material respects, with applicable Laws (provided that it is acknowledged that the Vendors are required to comply with the requirements of the Proposal Proceeding).

“Outside Date” means March 24, 2017.

“Pension Plan” means the Pension Plan for employees of MRP Retail Inc., FSCO Registration Number 0424267.

“Permitted Encumbrances” means those Encumbrances listed on **Schedule “A”**.

“Person” includes an individual, partnership, association, body corporate, trustee, executor, administrator, legal representative, government (including any Governmental Entity) or any other entity, whether or not having legal status.

“Proposal Trustee” means Richter Advisory Group Inc., in its capacity as proposal trustee of the Vendors under the BIA.

“Tax” means: (i) any and all taxes, duties, fees, excises, premiums, assessments, imposts, levies and other charges or assessments of any kind whatsoever imposed by any Governmental Entity, whether computed on a separate, consolidated, unitary, combined or other basis, including those levied on, or measured by, or described with respect to, income, gross receipts, profits, gains, windfalls, capital, capital stock, production, recapture, transfer, land transfer, license, gift, occupation, wealth, environment, net worth, indebtedness, surplus, sales, goods and services, harmonized sales, use, value-added, excise, special assessment, stamp, withholding, business, franchising, real or personal property, health, employee health, payroll, workers’ compensation, employment or unemployment, severance, social services, social security, education, utility, surtaxes, customs, import or export, and including all license and registration fees and all employment insurance, health insurance and government pension plan premiums or contributions; (ii) all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Entity on or in respect of amounts of the type described in clause (i) above or this clause (ii); (iii) any liability for the payment of any amounts of the type described in clauses (i) or (ii) as a result of being a member of an affiliated, consolidated, combined or unitary group for any period; and (iv) any liability for the payment of any amounts of the type described in clauses (i) or (ii) as a result of any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any party.

“Till Cash” means \$250 per retail Leased Premises, in normal denominations.

“**Time of Closing**” means 12:01 a.m. (Toronto time) on the Closing Date.

“**Transferred Employees**” means those employees of the Vendors who accept the Purchaser’s offer of employment given in accordance with this Agreement.

Section 1.2 Other Defined Terms.

In addition to the defined terms in Section 1.1, each of the following capitalized terms shall have the meaning ascribed thereto in the corresponding Section:

TERM	REFERENCE
Accounts Receivable	Section 2.1(c)
Assigned Location	Section 7.2(1)
Assignment Date	Error! Reference source not found.
Assignment Notice	Error! Reference source not found.
Assumed Contract Liabilities.....	Section 4.1(2)
Assumed Liabilities.....	Section 3.1
Assumed Store Liabilities.....	Section 4.1(4)
BIA	Recitals
Books and Records	Section 2.1(k)
Business.....	Recitals
CIBC	Section 2.2(e)
Closing	Section 11.1(1)
Court.....	Recitals
Disclaimer Notice Period.....	Section 4.2(2)
ETA	Section 6.1
Excluded Assets.....	Section 2.2
Excluded Lease	Error! Reference source not found.
Excluded Location	Error! Reference source not found.
Filing Date	Recitals
Head Office Employee.....	Section 7.1(2)
Head Office Employee Notice	Section 7.2(2)
Head Office Occupancy Period	Section 9.5
Holdback Amount.....	Section 5.3
Interim Period	Section 4.2(1)
Inventory Adjustment.....	Section 5.1(a)(i)
LOI	Recitals
Material Adverse Effect	Section 10.2(4)
NOIs	Recitals
Notice	Section 13.1
Occupancy Costs	Section 4.2(2)
Post-Closing Employee Claims	Section 5.3
Proposal Proceeding	Recitals

TERM	REFERENCE
Proposal Trustee's Certificate	Section 11.1(3)
Purchased Assets	Section 2.1
Purchase Price	Section 5.1
Purchase Price Adjustments	Section 5.1(1)(a)(iii)
Rent Adjustment.....	Section 5.1(1)(a)(ii)
Purchaser	Appearances
Start Date	Section 7.2(1)
Store Agreements	Section 2.2(g)Section n 4.1(1)
Transaction	Recitals
Transfer Taxes	Section 6.2
Vendors.....	Appearances

Section 1.3 Date for Any Action.

If the date on which any action is required to be taken hereunder by a party is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

Section 1.4 Gender and Number.

Any reference in this Agreement to gender includes all genders. Words importing the singular number only shall include the plural and vice versa.

Section 1.5 Headings, etc.

The provision of a Table of Contents, the division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and are not to affect its interpretation.

Section 1.6 Currency.

All references in this Agreement to dollars or to \$ are expressed in Canadian currency unless otherwise specifically indicated.

Section 1.7 Certain Phrases, etc.

In this Agreement (i) the words "including", "includes" and "include" mean "including (or includes or include) without limitation", and (ii) the phrase "the aggregate of", "the total of", "the sum of", or a phrase of similar meaning means "the aggregate (or total or sum), without duplication, of". Unless otherwise specified, the words "Article" and "Section" followed by a number mean and refer to the specified Article or Section of this Agreement.

Section 1.8 Schedules.

The schedules attached to this Agreement form an integral part of this Agreement for all purposes of it.

ARTICLE 2 PURCHASED ASSETS

Section 2.1 Purchased Assets.

Subject to the terms and conditions of this Agreement, except for the Excluded Assets, the Vendors agree to sell, assign and transfer to the Purchaser and the Purchaser agrees to purchase from the Vendors, on the Closing Date, effective as of the Time of Closing, or such later time as is contemplated by this Agreement, all undertakings, rights, property and assets of the Vendors, including any and all assets that relate to or are used in connection with the operation of the Business (collectively, the “**Purchased Assets**”), including but not limited to the following assets, all free and clear of all Encumbrances (other than Permitted Encumbrances):

- (a) all inventory and supplies wherever located;
- (b) all personal or movable property, leasehold improvements, furniture, fixtures and equipment, and racking;
- (c) all accounts receivable, notes receivable and other debts due or accruing due to any of the Vendors (the “**Accounts Receivable**”) and all collateral, guarantees and security relating thereto;
- (d) all prepaid expenses and deposits;
- (e) all client files, point-of-sale and computer equipment and other equipment;
- (f) all trucks, cars and other vehicles owned by any of the Vendors;
- (g) the benefit of all of the Assigned Contracts and Assigned Leases set out in **Schedule “B”** and **Schedule “C”** hereto, respectively, provided that such benefit shall not be sold, transferred and assigned until the relevant Assigned Contract or Assigned Lease becomes an Assigned Contract or Assigned Lease in accordance with Article 4 or pursuant to an Assignment Order;
- (h) all Intellectual Property owned or licensed by the Vendors;
- (i) all telephone and facsimile numbers, internet domain names and social media accounts used in connection with the Business;
- (j) all orders, authorizations, approvals, licenses or permits of a Governmental Entity, owned, held or used by any of the Vendors;

- (k) all information in any form relating to, or used in connection with, the Business, including books of account, financial and accounting information and records, personnel records, sales and purchase records, customer and supplier lists, business reports, operating guides and manuals, plans and projections, marketing and advertising materials and all other documents, files, research materials, correspondence and other information (whether in written, printed, electronic or computer printout form, or stored on computer discs or other data and software storage and media devices) (the “**Books and Records**”);
- (l) to the extent transferable under applicable privacy Laws, all customer credit information, guarantees, customer notes, security agreements provided by customers, financing statements under applicable personal property security legislation related thereto, customer deposits or collateral, filings or property securing customer obligations ;
- (m) all claims, actions, causes of action, indemnities, warranties, guarantees, rights of recovery, rights of set-off and rights of recoupment of any of the Vendors;
- (n) all proceeds payable to any of the Vendors upon any policies of insurance; and
- (o) the goodwill of the Business, including the exclusive right of the Purchaser to (i) represent itself as carrying on the Business in continuation of and in succession to the Vendors, and (ii) use any words indicating that the Business is carried on, together with the rights, if any, to telephone and facsimile numbers used in connection with the Business.

Section 2.2 Excluded Assets.

The Purchased Assets shall not include any of the following (collectively, the “**Excluded Assets**”):

- (a) inventory sold by the Vendors prior to the Time of Closing;
- (b) proceeds of inventory sold by the Vendors prior to the Time of Closing including any amounts owing in connection with such sales from credit and debit card service providers;
- (c) cash on hand (excluding Till Cash), cash equivalents and bank deposits;
- (d) the lease improvement allowance for the Leased Premises located in the Oshawa Centre, 419 King Street West, Oshawa, Ontario;
- (e) the benefit of any secured loan or credit agreement, or of any related security agreement, between the Vendors and Canadian Imperial Bank of Commerce

- (“CIBC”), M. Perlman Enterprises Inc. or R. Perlman Enterprises Inc., in their capacity as secured lenders;
- (f) any claim, action, cause of action, indemnity, warranty, guarantee, right of recovery, right of set-off or right of recoupment of the Vendors arising before Closing against CIBC, M. Perlman Enterprises Inc. or R. Perlman Enterprises Inc.;
 - (g) the lease to the Head Office;
 - (h) the benefit of:
 - (i) any lease to retail premises to which a Vendor is a party as tenant; and
 - (ii) any lease of equipment to which a Vendor is a party where such equipment is located at retail or Head Office premises leased by a Vendor,

(such leases hereinafter collectively referred to as “Store Agreements”) where such Store Agreements are not assigned to the Purchaser pursuant to Article 4 or pursuant to an Assignment Order;
 - (i) the desk top computers located in the personal offices of Roy Perlman and Malcolm Perlman, provided all Books and Records have been erased therefrom (and, if unique, first preserved elsewhere in the Purchased Assets);
 - (j) for greater certainty, any assets located at the Head Office that are:
 - (i) related to the Vendors’ former Sunrise Records business and not related to or used in the Business; or
 - (ii) assets of M. Perlman Enterprises Inc., R. Perlman Enterprises Inc. or any Perlman family member and not related to or used in the Business,

including those assets listed on **Schedule “D”** hereto;
 - (k) the value of any deposits made by the Vendors to secure services during the Proposal Proceedings (which, for greater certainty does not include any security or rent deposits in respect of any Leased Premises);
 - (l) the Xerox Canada Ltd. equipment lease; and
 - (m) any other any assets of the Vendors specifically excluded by the Purchaser prior to Closing.

For greater certainty, the Purchase Price will not be adjusted or set off against for Excluded Assets.

**ARTICLE 3
ASSUMED LIABILITIES**

Section 3.1 Assumed Liabilities.

Subject to the Closing, and except for the Excluded Liabilities, the Purchaser agrees to assume, as of the Time of Closing or such other later time as is stipulated in this Agreement, no obligations or liabilities other than solely the following Vendors' obligations and liabilities relating to:

- (a) liability for retail gift cards of the Business outstanding as at 12:01 a.m., Toronto Time, on the Closing Date, to a maximum value of [REDACTED];
- (b) the costs and expenses incurred, or due to be paid, by the Vendors for which the Purchaser is responsible pursuant to Section 4.2(2);
- (c) Assumed Contract Liabilities that are not Assumed Store Liabilities;
- (d) the Assumed Store Liabilities; and
- (e) any other liability which the Purchaser agrees in writing to assume on or before the Designation Deadline,

(collectively, the "Assumed Liabilities").

Section 3.2 Excluded Liabilities.

- (1) Other than the Assumed Liabilities, the Purchaser shall not assume and shall have no obligation to discharge, perform or fulfill any liability or obligation of the Vendors or in connection with the Purchased Assets or the Business, whether known, unknown, direct, indirect, absolute, contingent or otherwise.
- (2) Without limiting the generality of Section 3.2(1), the Purchaser shall not assume and shall have no obligation in respect of: (a) any of the Excluded Assets; (b) any Cure Payments; (c) any obligations as successor, related or real employer toward Store Employees or Head Office Employees arising during or upon termination of the applicable Interim Period or the Head Office Occupancy Period, and upon the expiry of such periods respectively; (d) except as expressly provided herein, any liabilities of the Vendors for Taxes other than Transfer Taxes payable by the Purchaser pursuant to Section 6.2.; (e) any obligation or liability of the Vendors not disclosed to it by the Vendors or not apparent from the Books and Records of the Vendors; (f) any obligation or liability arising from or related to any environmental condition existing at or arising from occurrences prior to the Time of Closing; (g) any obligation or liability arising from or related to the Pension Plan; or (h) any obligation or liability in connection with, arising from or related to the conduct of the Business, the Purchased Assets or the leased retail premises prior to the Time of Closing; or (i) any obligation or liability arising from or related to any Employee Plans, registered or unregistered pension plans sponsored by or related to the

Vendors, the Business or the Vendors' employees at the Time of Closing, including but not limited to registered pension plan number 71906002 for employees of MRP Retail Inc..

ARTICLE 4
ASSIGNMENT AND ASSUMPTION OF CONTRACTS AND LEASES

Section 4.1 Assignment of Assigned Contracts and Assigned Leases.

- (1) On or prior to the Closing Date, the Purchaser will designate in writing any contract or agreement to which any Vendor is a party as an Excluded Asset or an Assigned Contract or an Assigned Lease. Any contract or agreement to which any Vendor is a party that is not so designated will be deemed to be an Excluded Asset unless and until it is specified in an Assignment Notice in accordance with Section 4.1(3).
- (2) Subject to Section 4.3 and excluding the Store Agreements assigned pursuant to Section 4.1(3) below, the Vendors shall be deemed to have assigned the benefit of each Assigned Contract or Assigned Lease (together with the benefit of all security deposits related thereto) effective on the Time of Closing and the Purchaser shall be deemed to have assumed, effective the Time of Closing, all of the Vendors' obligations and liabilities contained in such Assigned Contract or Assigned Lease arising in respect of the period commencing after the Time of Closing and not related to any default existing at, prior to or as a consequence of the Closing or of the assignment of such Assigned Contract or Assigned Lease (collectively, the "**Assumed Contract Liabilities**"), in each case without payment of any additional consideration. Such contract or lease shall become an Assigned Contract or Assigned Lease, respectively, at the Time of Closing.
- (3) On or prior to the Designation Deadline, the Purchaser may, in its sole discretion, designate any Store Agreement to become an Assigned Contract or an Assigned Lease (as applicable) by providing written notice to the Vendors (an "**Assignment Notice**"), which notice shall specify the Store Agreement so designated and a date on which the benefit of the Store Agreement specified in such notice will be assigned to the Purchaser (such date, with respect to an Assignment Notice, the "**Assignment Date**"). For a Consent Required Agreement for which consent has not been obtained by the Vendors, such date shall take into account any time required to obtain an Assignment Order and shall not, in any case, be earlier than the Closing Date. For greater certainty, the Assignment Date shall be deemed to be the Closing Date in the case of all Store Agreements designated as Assigned Contracts or Assigned Leases in accordance with Section 4.1(3). Any Store Agreement not designated an Assigned Contract or an Assigned Lease pursuant to this Section 4.1(3) shall, at the Designation Deadline, be deemed designated an Excluded Asset (in the case of a lease of retail premises, such Store Agreement/Excluded Asset is hereinafter referred to as an "**Excluded Lease**", and the retail premises subject to such Excluded Lease, an "**Excluded Location**").
- (4) Subject to Section 4.3, the Vendors shall be deemed to have assigned the benefit of any Store Agreement specified in each Assignment Notice on the Assignment Date

and the Purchaser shall be deemed to have assumed, on the Assignment Date, all of the Vendors' obligations and liabilities contained in such Store Agreement arising and accruing in respect of the period from and after the Assignment Date and not related to any default existing at, prior to or as a consequence of the Closing or of the assignment of such Assigned Contract or Assigned Lease (collectively, the "**Assumed Store Liabilities**"), in each case without payment of any additional consideration. Such Store Agreement shall become an Assigned Contract or Assigned Lease, respectively, on the date such lease is assigned to the Purchaser in accordance with this Article 4.

Section 4.2 Responsibility for Store Agreements During Interim Period.

- (1) From and after the Closing Date until the earliest to occur of:
 - (a) the date on which the applicable Store Agreement becomes an Assigned Contract or an Assigned Lease, respectively, pursuant to an Assignment Notice or an Assignment Order;
 - (b) the date the Purchaser has delivered notice to the Vendors stipulating the applicable Store Agreement is rejected and will not be or become an Assigned Contract or Assigned Lease; and
 - (c) the Designation Deadline (if an Assignment Notice has not been issued with respect to such Store Agreement on or before the Designation Deadline),

(the period from the Closing Date until such earliest date, with respect to each Store Agreement, the "**Interim Period**"), the Vendors will, with respect to each Store Agreement to which either of them is a party, use commercially reasonable efforts during the term of such contract or lease to (x) provide to the Purchaser the benefit of each such Store Agreement (including, without limitation, where such Store Agreement is a lease of real property, the right to use and occupy any premises subject to such lease and otherwise operate the premises subject to such lease), (y) cooperate in any reasonable and lawful arrangement (including holding such Store Agreement in trust for the Purchaser pending receipt of any required consent, approval or waiver to the assignment of such contract or lease pursuant to an Assignment Notice or until an Assignment Order is obtained) designed to provide such benefits to the Purchaser, and (z) enforce for the account of the Purchaser any rights of the Vendors under such Store Agreement (including the right to elect to terminate such Store Agreement in accordance with the terms thereof upon the written direction of the Purchaser), in each case subject to the prior approval of the Purchaser. The Purchaser will cooperate with the Vendors in order to enable the Vendors to provide to the Purchaser the benefits of the Store Agreements contemplated by this Section 4.2(1).

- (2) In respect of each leased store location that is not an Excluded Asset at the Time of Closing (whether it be an Assigned Location or an Excluded Location), the Purchaser shall, within two Business Days following a request therefor by the Vendors, together with appropriate supporting documentation, pay the Vendors the amount

incurred, or due to be paid, by the Vendors (plus applicable sales Taxes) during and in respect of the applicable Interim Period in respect of any and all:

- (a) payments under Store Agreements that are equipment leases;
- (b) rents under Store Agreements that are realty leases; and
- (c) to the extent not already forming part of the rents in (b) above, property taxes, insurance, utilities and ordinary building care and maintenance costs (collectively, "**Occupancy Costs**"),

and, where the amounts are due under realty leases which have not been designated as Excluded Assets on or before the Closing Date, also during the 30 day notice period for the disclaimer of the applicable Store Agreement under section 65.2 of the BIA (the "**Disclaimer Notice Period**"), provided notice of disclaimer is given by the Vendors within one (1) Business Day of (y) the Purchaser delivering notice designating the applicable Store Agreement as an Excluded Asset or, failing such, (z) the Designation Deadline. Such payments shall be made in consideration of the services performed by the Vendors for the benefit of the Purchaser pursuant to this Section 4.2.

Section 4.3 Consent Required Agreements.

- (1) Nothing in this Agreement shall be construed as an agreement to assign any Consent Required Agreement, unless the consent, approval or waiver required to assign such Consent Required Agreement has been given or an Assignment Order has been made with respect to such Consent Required Agreement.
- (2) From the date of this Agreement, or, in the case of Store Agreements, from the date the relevant Assignment Notice is delivered, the Vendors and the Purchaser shall use reasonable commercial efforts to obtain the consents, approvals and waivers required for the assignment of the Consent Required Agreements. Notwithstanding the foregoing, the Purchaser shall be under no obligation to pay any money, incur any obligations, commence any legal proceedings, or offer or grant any accommodation (financial or otherwise) to any third party in order to obtain any consent, approval or waiver for any Consent Required Agreement.

Section 4.4 Certain Covenants.

- (1) From the date of this Agreement, the Vendors shall:
 - (a) until the Time of Closing in respect of the Purchased Assets assigned to the Purchaser at such time, and until the earlier of the Assignment Date in respect of all of the other assets of the Business or the Designation Deadline, operate the Business in the Ordinary Course, make all necessary tax, governmental and other filings in a timely fashion, use its commercially reasonable efforts to preserve intact its current business organization, keep available the services of its agents and employees and maintain good

relations with, and the goodwill of, suppliers, customers, landlords, creditors, distributors and all other Persons having business relationships with the Vendors, subject in all cases to the obligations of the Vendors under this Agreement;

- (b) until the end of the Interim Period for each retail premises lease, and until the end of the Head Lease Occupancy Period in respect of the Head Office, (i) remain in possession of such premises for such lease in accordance with its terms and (ii) continue to maintain insurance in respect of such premises;
 - (c) continue to abide by the terms of all contracts and leases to which it is a party, until the Assignment Date in respect of a retail premises lease or the end of the Head Lease Occupancy Period in respect of the Head Office Lease;
 - (d) subject to applicable Laws, pay to the Purchaser all proceeds the Vendors receive from the sale of inventory and other assets forming part of the Purchased Assets after the Time of Closing;
 - (e) confer with the Purchaser concerning operational matters of a material nature relating to the Business;
 - (f) during any applicable Interim Period or the Head Office Occupancy Period, provide the services set out in this Agreement in accordance with commercially reasonable retail industry standards, and in any event, provide a level of service at least equal to the standard of services provided by the Vendors to the Business prior to the date of this Agreement; and
 - (g) retain possession and control of the Purchased Assets until sold, transferred and assigned to the Purchaser.
- (2) Without derogating from the obligations of the Vendors in Section 4.4(1) but subject to applicable Laws, from the date hereof the Vendors shall not:
- (a) terminate, amend, supplement, modify, waive any rights under, or suffer, create or allow to exist any Encumbrance (other than Permitted Encumbrances) with respect to any contract or lease to which any Vendor is a party, or take any affirmative action not required by the terms thereof, except, in each case, as required by this Agreement or with the prior written consent of the Purchaser;
 - (b) disclaim, amend, compromise or enter into any agreements or arrangements relating to any Purchased Assets or which may reduce the value of such assets;
 - (c) terminate any employee of the Vendors without the prior written consent of the Purchaser;

- (d) make any bonus or profit sharing distribution or similar payment of any kind to any Person in connection with the Business except to an employee of the Vendors in accordance with a *bona fide* written employment contract with such employee with the written consent of the Purchaser;
 - (e) grant any increase in the rate of wages, salaries, bonuses or other remuneration of any employee;
 - (f) increase or otherwise change the benefits to which any employee is entitled under any Employee Plan;
 - (g) cancel, reduce or otherwise impair any of its insurance coverage, including taking any action or omitting to take any action that would enable the insurers under Vendor's policies to avoid liability for claims arising out of occurrences prior to Closing;
 - (h) sell, license, lease, encumber, transfer or otherwise dispose of the Purchased Assets other than the sale of Inventory in the Ordinary Course;
 - (i) use funds advanced pursuant to Section 4.2(2), Section 7.1(1) and Section 7.1(2) for any purpose other than described in those sections and agreed to by the Purchaser; or
 - (j) authorize, agree or otherwise commit, whether or not in writing, to do any of the foregoing.
- (3) Notwithstanding anything herein to the contrary, as between the Vendors and the Purchaser, from the Time of Closing the Purchaser shall have exclusive control of the planning and operations of the Purchased Assets and the Business.

Section 4.5 Cooperation to Amend.

At the Purchaser's request, and at the Purchaser's cost and expense, until the earlier of the Designation Deadline and the date the relevant contract or lease becomes an Assigned Contract or Assigned Lease, respectively, the Vendors shall cooperate with the Purchaser as reasonably requested by the Purchaser to amend any contract or lease to which any of the Vendors is a party and negotiate with the counterparty of any such contract or lease to cause such amendment.

ARTICLE 5 PURCHASE PRICE

Section 5.1 Purchase Consideration.

- (1) Subject to Section 5.3, the consideration to be given by the Purchaser to the Vendors for the Purchased Assets is comprised of the following:
 - (a) a cash payment of [REDACTED] plus or minus:

- (i) any difference, positive or negative, between the value of the Vendors' inventory for season codes 28, 29, 30, 31 and PERM, at 100% of cost as at the Filing Date (as detailed in the report previously provided to the Purchaser and as summarized at **Schedule "E"** hereto) and the audited value of the inventory as at 12:01 am, Toronto time, on the Closing Date (the "**Inventory Adjustment**"), it being understood that the Vendors will continue to purchase inventory substantially in accordance with recent past practice. For greater certainty, there will be no adjustment for season codes 11 to 27 and 3995 (as reflected in **Schedule "F"** hereto);
- (ii) the value of any pre-paid expenses (including, without limitation, rents for both Assigned Leases and Excluded Leases) for the period falling after the Closing Date or, in the case of any Excluded Lease which has not been designated as an Excluded Asset on or before the Closing Date, the period falling after the Closing Date up to and including the date of expiry of the 30-day notice period set out in the Vendors' notice of intention to disclaim (under section 65.2 of the BIA) given upon the Purchaser's designation of such lease as an Excluded Lease or, failing such, the Designation Deadline (the "**Rent Adjustment**"); and
- (iii) the value of any deposits made by the Vendors to inventory suppliers to secure the post-Closing delivery of inventory for the Business, as specified in **Schedule "G"** hereto (together with the Inventory Adjustment and the Rent Adjustment, the "**Purchase Price Adjustments**"),

exclusive of Transfer Taxes (the "**Purchase Price**"); and

- (b) the assumption of the Assumed Liabilities.

Section 5.2 Deposit

The Vendors hereby acknowledge the payment of the Deposit to the Proposal Trustee, in trust, which Deposit is and shall continue to be held in a non-interest-bearing account. The Deposit will be applied on Closing in satisfaction of an equivalent amount of the Purchase Price unless this Agreement is terminated or the Closing otherwise fails to occur by the Outside Date due to:

- (a) either a breach by the Vendors of a material term of this Agreement, or the failure of the Court to issue the Approval and Vesting Order along with any then-required Assignment Order, in which case the full amount of the Deposit (without any interest accrued thereon) shall be immediately returned to the Purchaser;
- (b) a breach by the Purchaser of a material term of this Agreement, in which case the Deposit will be released by the Proposal Trustee to the Vendors and

be retained as liquidated damages, which liquidated damages shall be the Vendors' sole and exclusive remedy for any such breach by the Purchaser of its representations, warranties or covenants under this Agreement; or

- (c) any other reason, in which case the Deposit will be returned to the Purchaser.

Section 5.3 Holdback Amount

The Purchaser shall pay to the Purchaser's law firm, McCarthy Tétrault LLP, in trust, to be held in escrow, ██████████ of the Purchase Price (the "**Holdback Amount**") to protect the Purchaser against the cost of any and all professional fees, settlements or monetary awards in legal proceedings of current or former employees, directors or officers of the Vendors, brought in respect of claims accruing or arising prior to their respective Start Dates or as a consequence of Closing or termination by the Vendors, which may be commenced against the Purchaser following the Closing Date ("**Post-Closing Employee Claims**"). The Purchaser shall give the Vendors prompt notice of any threat, commencement, or material change in the progress of any Post-Closing Employee Claims, as well as copies of all invoices for any costs to which the Purchaser intends to apply the Holdback Amount. Any portion of the Holdback Amount not applied by the Purchaser in respect of any Post-Closing Employee Claims shall be paid by wire transfer to the Vendors' counsel, Aird & Berlis LLP, in trust, in accordance with Section 5.4 hereof.

Section 5.4 Payment of Purchase Price.

The Purchase Price shall be paid and satisfied as follows:

- (a) the Deposit will be paid by the Proposal Trustee to the Vendors on Closing, credited, at that time, towards the Purchase Price payable; and
- (b) subject to Section 5.3, payment of the balance of the Purchase Price, net of the then-known Purchase Price Adjustments, and after crediting the Deposit, will be made on Closing by wire transfer to the Vendors;

with payment of any additional Purchase Price Adjustments to be made within 5 Business Days of the Designation Deadline and payments of any Holdback Amount to be made within 6 months of the Closing Date.

Section 5.5 Allocation of Purchase Price. The Vendors agree to allocate the Purchase Price (plus the dollar value of the Assumed Liabilities) in accordance with any allocation delivered by the Purchaser to the Vendors at any time. The Vendors shall not make any filing or registration of any allocation of such amount among the Purchased Assets, whether in a tax return, financial statement or otherwise, unless such allocation has been approved in advance in writing by the Purchaser.

Section 5.6 Inventory Stock Taking

The inventory will be confirmed by the close of business on the last Business Day before the Closing Date by a physical stock-taking supervised jointly by representatives of the Vendors,

representatives of the Purchaser and, if the Proposal Trustee determines it is necessary or desirable to be present during the completion of the physical stock-taking, representatives of the Proposal Trustee, and each party will bear its own expenses thereof. The inventory shall be valued at the actual cost as reflected in the Books and Records of the Vendors.

ARTICLE 6 TAX MATTERS

Section 6.1 HST Elections.

The Purchaser and the Vendors shall jointly elect under subsection 167(1) of the *Excise Tax Act* (Canada) (the “ETA”) and any other comparable provincial Tax legislation, in the form prescribed for the purposes of each such provision, in respect of the sale and transfer of the Purchased Assets and the Purchaser shall file such elections with the applicable tax authorities within the time and in the manner required by the applicable Law.

Section 6.2 Transfer Taxes.

Subject to any available elections or exemptions contemplated by Section 6.1, the Purchaser shall be liable for and shall pay all federal and provincial sales taxes and all other similar sales taxes or other like charges of any jurisdiction (“**Transfer Taxes**”) (for greater certainty, excluding all income or capital taxes of the Vendor) properly payable by the Purchaser in connection with the transfer of the Purchased Assets by the Vendors to the Purchaser.

Section 6.3 Indemnity for Transfer Taxes.

The Purchaser shall indemnify and hold the Vendors (and their, directors, officers and employees) harmless from and against any taxes payable under the ETA and or any applicable provincial legislation and in any case any penalty or interest in respect thereof which may be payable by or assessed against the Vendors as a result of or in connection with the Vendors’ failure to collect the applicable taxes payable under the ETA or applicable provincial legislation on the sale of the Purchased Assets to the Purchaser, including any Transfer Taxes assessed as a result of any failure or refusal by the responsible tax authority to accept any election made under Section 6.1 or on the basis that such election was inapplicable, invalid or not properly made.

Section 6.4 Income Tax Elections.

- (1) The Purchaser and the Vendors shall elect jointly in the prescribed form under section 22 of the *Income Tax Act* (Canada) and the corresponding provisions of any other applicable provincial tax statute as to the sale of the Accounts Receivable forming part of the Purchased Assets and designate in such election an amount equal to the portion of the Purchase Price allocated to the Accounts Receivable pursuant to Section 5.5. This election, or these elections, shall be made within the time prescribed for such elections.

- (2) The Purchaser and the Vendors shall, if applicable, jointly execute and file an election under subsection 20(24) of the *Income Tax Act* (Canada) in the manner required by subsection 20(25) of the *Income Tax Act* (Canada) and under the equivalent or corresponding provisions of any other applicable provincial statute, in the prescribed forms and within the time period permitted under the *Income Tax Act* (Canada) and under any other applicable provincial statute as to such amount paid by the Vendors to the Purchaser for assuming future obligations. In this regard, the Purchaser and the Vendors acknowledge that a portion of the Purchased Assets transferred by the Vendors pursuant to this Agreement and having a value equal to the amount elected under subsection 20(24) of the *Income Tax Act* (Canada) and the equivalent provisions of any applicable provincial or territorial statute, is being transferred by the Vendors as a payment for the assumption of such future obligations by the Purchaser.

**ARTICLE 7
EMPLOYEE MATTERS:**

Section 7.1 Interim Period and Head Office Occupancy Period Employment

- (1) Each retail store employee (a “**Store Employee**”) shall remain an employee of the Vendors during the applicable Interim Period relating to its store location until the Assignment Date. The Purchaser shall pay the Vendors, within two Business Days following a request therefor by the Vendors, together with appropriate supporting documentation, for all out-of-pocket costs incurred, or due to be paid, by the Vendors during the Interim Periods in respect of ordinary Store Employee wages, commissions, vacation pay and benefits (excluding, for greater certainty, any vacation pay accrued prior to such Interim Periods, Pension Plan contributions and severance and/or termination pay, if any, due as a result of the Vendors’ termination of such Store Employees) and payroll service provider charges.
- (2) Each Head Office employee (a “**Head Office Employee**”) shall remain an employee of the Vendors during the Head Office Occupancy Period until the earlier of (a) the date of termination of the Proposal Proceeding and (b) the date such Head Office Employee is terminated in accordance with Section 7.2(3). As consideration for the services of Head Office Employees provided by the Vendors pursuant to Section 9.5, the Purchaser shall pay the Vendors, within two Business Days following a request therefor by the Vendors, together with appropriate supporting documentation, for all out-of-pocket costs incurred, or due to be paid, by the Vendors during the Head Office Occupancy Period (until such time as such Head Office Employees are terminated by the Vendors in accordance with the applicable Head Office Employee Notices) in respect of ordinary Head Office Employee wages, vacation pay and benefits (excluding, for greater certainty, any vacation pay accrued prior to such Interim Periods, Pension Plan contributions and severance and/or termination pay, if any, due as a result of the Vendors’ termination of such Head Office Employees) and payroll service provider charges.

Section 7.2 Offers to Employees and Termination

- (1) At least two days prior to the applicable Assignment Date for each Assigned Lease location (each, an “**Assigned Location**”), the Purchaser shall identify to the Vendors those employees at such Assigned Location the Purchaser intends to offer employment, conditional on the assignment and effective in each case as at a time determined by the Purchaser (for each such employee, that employee’s “**Start Date**”) in its sole discretion but which will not in any case be prior to the Time of Closing. The Vendor will terminate all employees not designated by the Purchaser to be Transferred Employees, effective immediately, on the date that a store is deemed to be an Excluded Location, but not prior to the Time of Closing. Any offer of employment made by the Purchaser shall be on terms and conditions determined by the Purchaser in its sole discretion.
- (2) On the Designation Deadline, any employees at a store deemed to be an Excluded Location shall be deemed not to be a Transferred Employee and will be terminated by the Vendors, effective immediately, and the Vendors shall pay all employee amounts required to be paid under subsection 65.13(8) of the BIA.
- (3) In respect of each Head Office Employee, the Purchaser shall provide at least two days’ prior notice to the Vendors (each, a “**Head Office Employee Notice**”) that (i) it will make an offer of employment to such Head Office Employee whereupon the Vendors will terminate such Head Office Employee, effective upon such new employment with the Purchaser or (ii) it will not make an offer of employment to such Head Office Employee whereupon the Vendors will terminate such Head Office Employee, effective immediately. Any offer of employment made by the Purchaser to a Head Office Employee shall be on terms and conditions determined by the Purchaser in its sole discretion. Upon the written consent of the Purchaser, such consent not to be unreasonably withheld, the Vendors may terminate any Head Office Employee specified in such a consent at any point during the Head Office Occupancy Period. At the end of that portion of the Head Office Occupancy Period that the Purchaser remains in occupation of the Head Office, any Head Office Employee in respect of which no Head Office Employee Notice has been received, shall be terminated by the Vendors, effective immediately.

Section 7.3 Employee Liability.

- (1) Without limiting the Purchaser’s payment obligations under Section 7.1, the Purchaser shall be responsible for:
 - (a) all liabilities for salary, wages, bonuses, commissions, vacation pay, and other compensation relating to employment of the Transferred Employees in accordance with the offer made to such Transferred Employees by the Purchaser for the period on or after the applicable Start Dates; and
 - (b) all statutory notice of termination or payment in lieu of notice obligations and statutory severance obligations in respect of the termination by the

Purchaser of the employment of any Transferred Employee arising on or after such Transferred Employee's Start Date.

- (2) Except as provided for in Section 7.1, the Vendors shall be responsible for all liabilities related to the employees who do not become Transferred Employees and for all liabilities of the Transferred Employees accruing or arising prior to their respective Start Dates or as a consequence of Closing or termination by the Vendors, including for greater clarity, any liability related to the Pension Plan.
- (3) For greater certainty, the Purchaser shall not be nor shall it be deemed to be a successor, related or real employer to (i) any Head Office Employee during the Head Office Occupancy Period or (ii) any employee during an applicable Interim Period; or be responsible for any liabilities upon expiry of such periods (including, for greater certainty, accrued vacation pay, Pension Plan contributions, statutory severance pay, statutory notice or pay-in-lieu of such notice, or any common law notice period or pay-in-lieu of such reasonable notice period, relating to any Head Office Employee who does not receive and accept an offer of employment from the Purchaser).

ARTICLE 8 REPRESENTATIONS AND WARRANTIES

Section 8.1 Vendors' Representations and Warranties.

The Vendors jointly and severally, represent and warrant as follows to the Purchaser at the date of this Agreement and at the Closing Date and acknowledge and confirm that the Purchaser is relying upon such representations and warranties in connection with the purchase of the Purchased Assets and the assumption of the Assumed Liabilities:

- (1) **Incorporation and Qualification.** The Vendors are each a corporation duly incorporated and existing under the laws of its jurisdiction of incorporation and has the corporate power to enter into and perform its obligations under this Agreement.
- (2) **Authorization.** The execution and delivery of and performance by each of the Vendors of this Agreement and the consummation of the transactions contemplated by it have been authorized by all necessary corporate action on the part of the Vendors.
- (3) **Execution and Binding Obligation.** This Agreement has been duly executed and delivered by the Vendors and constitutes a legal, valid and binding agreement of the Vendors, enforceable against them in accordance with its terms subject only to (A) as of the date hereof, any limitation under applicable laws relating to (i) bankruptcy, winding-up, insolvency, arrangement, fraudulent preference and conveyance, assignment and preference and other similar laws of general application affecting the enforcement of creditors' rights, and (ii) the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction and (B) as of the Closing Date, the issuance of the Approval and Vesting Order.

- (4) **No Options, etc.** Except for the Purchaser's right under this Agreement, no Person has any written or oral agreement, option, understanding or commitment, or any right or privilege capable of becoming such for the purchase from the Vendors of any of the Purchased Assets other than inventory sold in the Ordinary Course.
- (5) **Residence.** The Vendors are not non-residents of Canada for purposes of the *Income Tax Act* (Canada).
- (6) **Registration.** The Vendors are duly registered under Subdivision (d) of Division V of Part IX of the ETA and their registration numbers are 871470076 RT0001 (MRPR) and 865853428 RT0001 (MRPFR).
- (7) **Brokers and Finders.** There are no claims for brokerage commissions, finders' fees or similar compensation in connection with the transactions contemplated by this Agreement based on any arrangement or agreement made by or on behalf of the Vendor.
- (8) **Collective Agreement.** There is no collective agreement in force with respect to the Business or any of the employees of the Business nor is there any contract or agreement with any employee association in respect of the Business or the employees of the Business. No Person holds bargaining rights with respect to any of the employees, and to the knowledge of the Vendors, no Person has applied to be certified as the bargaining agent of any employees. There have been no commitments made to, or negotiations with, any trade union or employee association with respect to any future agreements; there is no pending application for certification, decertification or variance of any bargaining unit of employees of the Vendors or any attempt to organize any trade union or employee association in connection with the Business, notice of which has been served on the Vendors or of which the Vendors are aware; there is no understanding, oral or written, of the Vendors with any trade union negotiators; and no part of the Business has been certified as a unit appropriate for collective bargaining by which the Purchaser will be bound as a result of the purchase of the Business or the Purchased Assets.
- (9) **Threatened or Pending Organizing Activities.** To the knowledge of the Vendors, there are no actual, threatened or pending organizing activities of any trade union, council of trade unions, employee bargaining agency or affiliated bargaining agent or any actual, threatened or pending unfair labour practice complaints, strikes, work stoppages, picketing, lock-outs, hand-billings, boycotts, slowdowns, arbitrations, grievances, complaints, charges or similar labour related disputes or proceedings pertaining to the Business, and there have not been any such activities or disputes or proceedings within the last year.
- (10) **Management Fees.** The Vendors are not a party to or bound by any contract or commitment to pay any management fee pertaining to the Business except as disclosed in **Schedule "G"**.
- (11) **Written Employment Contracts.** The Vendors do not have any written employment contracts relating to the Business with any Person whomever except as disclosed in

- Schedule "I"**, which schedule also includes all standard templates for employment contracts used in the Business.
- (12) **Consultants. Schedule "J"** sets out: (i) the names of all consultants of the Business; (ii) whether the consultant is providing services pursuant to a written consulting contract; (iii) the term of any contract under Section 8.1(11); (iv) notice, if any, required for the Vendors to terminate the consulting relationship without cause; (v) the date the consultant first commenced providing services to the Business; (vi) the hourly fee of the consultant; and (vii) the annual fees paid to the consultant for the preceding calendar year.
- (13) **Compliance with Applicable Laws.** To the knowledge of the Vendors, the Vendors are employing all employees of the Business in compliance with all applicable taxation, health, labour and employment laws, rules, regulations, notices, and orders and there are not outstanding claims, charges or orders.
- (14) **Litigation and Intellectual Property.**
- (a) Except for the Proposal Proceeding, to the knowledge of the Vendors, there are no claims, injunctions, investigations or other proceedings, including appeals and applications for review, in progress or, to the knowledge of the Vendors, pending or threatened against or relating to the Vendors which, if determined adversely to the Vendor, would:
- (i) enjoin, restrict or prohibit the transfer of all or any part of the Purchased Assets as contemplated by this Agreement; or
- (ii) prevent the Vendors from fulfilling any of their obligations set out in this Agreement or arising from this Agreement.
- (b) To the knowledge of the Vendors, the use of the Intellectual Property by the Vendors, and the operation of the Business as conducted by the Vendors as of the date hereof does not infringe or otherwise violate the rights of any Person in respect of any Intellectual Property.
- (15) **Inventory.** All of the outstanding forward commitments by or on behalf of the Vendors for the purchase or sale of inventory have been made in accordance with the established price lists of the Vendors or its suppliers or, if otherwise, in accordance with the Vendors' normal business custom in varying therefrom.
- (16) **Leased Real Property. Schedule "K"** contains a full, complete and accurate list of all of the leased real property. The Vendors occupy and have the exclusive right to occupy and use the leased real property, except the Leased Premises located in the Cataraqi Town Centre, 945 Gardiners Road, Kingston, Ontario, in respect of which the Vendors are currently overholding.
- (17) **Leases.**

- (a) To the knowledge of the Vendors, none of the leases have been assigned nor has the whole or any part of the leased real property been sublet or licensed to another Person by the Vendors.
 - (b) The Vendors have provided or made available to the Purchaser, or will make available prior to the Closing Date at the request of the Purchaser, a true and complete copy of all of the leases and all amendments, extensions or additions thereto.
- (18) **Employees.**
- (a) Other than as detailed on **Schedule "L"**, the Vendors do not sponsor, participate in, or have any liability with respect to a registered or unregistered pension plan (whether defined benefit or defined contribution or other type of retirement savings plan).
 - (b) The Vendors have provided the Purchaser with a complete and accurate listing of (i) the names of all employees of the Business; (ii) their position or title; (iii) their status (e. g., full time, part time, temporary, casual, seasonal, co-op student); (iv) their total annual remuneration, including a breakdown of (A) salary and (B) bonus or other incentive compensation, if any; (v) other terms and conditions of their employment (other than Benefit Plans and Compensation Policies); (vi) whether the employee is a member of a collective bargaining union or agency; (vii) their age; (ix) their total length of employment including any prior employment that would affect calculation of years of service for any purpose, including statutory entitlements, contractual entitlements (express or implied) benefit entitlement or pension entitlement; and (x) whether any employees are on any approved or statutory leave of absence and, if so, the reason for such absence and the expected date of return.
- (19) **Contracts.** **Schedule "M"** contains a complete and accurate listing and description of all contracts to which the Vendors are a party and by which the Vendors are bound that are material to, or necessary in, the operation of the Business. Correct and complete copies of the contracts have been made available to the Purchaser.

Section 8.2 Purchaser's Representations and Warranties.

The Purchaser represents and warrants as follows to the Vendors at the date of this Agreement and at the Closing Date and acknowledges and confirms that the Vendors are relying on such representations and warranties in connection with the sale by the Vendors of the Purchased Assets:

- (1) **Incorporation and Qualification.** The Purchaser is a corporation duly incorporated and existing under the laws of its jurisdiction of incorporation. The Purchaser has the power to enter into and perform its obligations under this Agreement.

- (2) **Corporate Authority.** The execution and delivery of and performance by the Purchaser of this Agreement and the consummation of the transactions contemplated by it have been authorized by all necessary corporate action on the part of the Purchaser.
- (3) **Execution and Binding Obligation.** This Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding agreement of the Purchaser enforceable against it in accordance with its terms subject only to the Approval and Vesting Order and any limitation under applicable laws relating to (i) bankruptcy, winding-up, insolvency, arrangement, fraudulent preference and conveyance, assignment and preference and other similar laws of general application affecting the enforcement of creditors' rights, and (ii) the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction.
- (4) **Registration.** The Purchaser is, or prior to Closing will be, registered under Part IX of the ETA.
- (5) **Brokers and Finders.** There are no claims for brokerage commissions, finders' fees or similar compensation in connection with the transactions contemplated by this Agreement based on any arrangement or agreement made by or on behalf of the Purchaser.

Section 8.3 Survival.

The representations and warranties contained in this Agreement survive the Closing and continue in full force and effect for a period of one year.

Section 8.4 No Other Representations or Warranties of the Vendor; "As Is, Where Is".

- (1) The representations and warranties given by the Vendors in Article 8 are the sole and exclusive representations and warranties of the Vendors in connection with this Agreement and the transactions contemplated by it. Except for the representations and warranties given by the Vendors in Article 8, the Purchaser did not rely upon any representations or warranties, whether express or implied (by operation of law or otherwise), oral or written, legal, equitable, conventional, collateral or otherwise, regarding the assets to be acquired or liabilities to be assumed or the completeness of any information provided in connection therewith.
- (2) The Purchaser hereby acknowledges and agrees as follows:
 - (a) except as expressly set forth in this Agreement, the Vendors and the Proposal Trustee make no representations, or warranties in favour of the Purchaser concerning the Purchased Assets, which the Purchaser acknowledges are being acquired on an "as is, where is" basis, whether express or implied, statutory or collateral, arising by operation of Laws or otherwise, including express or implied warranties of merchantability, fitness for a particular

purpose, title, description, quantity, condition or quality, and that any and all conditions and warranties expressed or implied by the *Sale of Goods Act* (Ontario) or other Laws do not apply to the Transaction and are hereby waived by the Purchaser; and

- (b) the Vendors provide no warranty or condition, expressed or implied, as to the condition of the Head Office or any of the Leased Premises and the Vendors will not be responsible for any personal injury sustained by any servant, agent, licensee, employee, invitee or customer of the Purchaser who may be at the Head Office during the Head Office Occupancy Period or at any Leased Premises during the applicable Interim Period, all risks of any such injury being hereby assumed by the Purchaser.

ARTICLE 9 COVENANTS

Section 9.1 Conduct of Business in the Ordinary Course.

The Vendors shall use commercially reasonable efforts to conduct the Business in the Ordinary Course except to the extent required to allow the Vendors to comply with any of its obligations under this Agreement, subject in all cases to any limitation imposed by being subject to the Proposal Proceeding and any Court order relating thereto.

Section 9.2 Exclusive Dealing.

From the date hereof until the Closing Date, the Vendors shall not directly or indirectly, solicit, initiate, or encourage any inquiries or proposals from, discuss or negotiate with, provide any non-public information to, or consider the merits of any inquiries or proposals from, or enter into any agreement with, any Person (other than Purchaser) relating to any transaction involving the sale of any shares of the Vendors or the sale of any assets of the Vendors (other than as permitted in this Agreement) or any other business combination.

Section 9.3 Access prior to Closing.

Subject to applicable Laws, the Vendors shall (i) upon reasonable notice, permit the Purchaser and its employees, agents, counsel, accountants or other representatives, to have reasonable access during normal business hours to (A) the Purchased Assets, including all Books and Records whether retained by the Vendors or otherwise, (B) all contracts and leases to which either of the Vendors is a party, (C) personnel files relating to the employees of the Vendors (which shall be maintained in strict confidence by the Purchaser and only used for the purpose of considering and/or making employment offers to employees), (D) the senior personnel of the Vendors, so long as the access does not unduly interfere with the ordinary conduct of the Business, (E) the employees, and (F) landlords; and (ii) furnish to the Purchaser or its employees, agents, counsel, accountants or other such representatives such financial and operating data and other information with respect to the Purchased Assets as the Purchaser from time to time reasonably requests.

Section 9.4 Actions to Satisfy Closing Conditions.

The Vendors and the Purchaser agree to take all such actions as are within their respective control and shall use their respective commercially reasonable efforts to take, or cause to be taken, all other actions and make all such other payments, filings and submissions, and obtain such consents (including consents required by Consent Required Agreements to enable the assignment thereof by the Vendors to the Purchaser) and authorizations, which are necessary or advisable in order to fulfil their respective obligations under this Agreement. Without limiting the generality of the foregoing, the Vendors shall pay all Cure Payments and deliver all documentation required by Section 11.2.

Section 9.5 Head Office

For the period from the Closing Date through to the first anniversary thereof (the “**Head Office Occupancy Period**”), the Vendors shall cause their affiliate, 135 Sparks Ave. Inc., to grant the Purchaser occupation of the Head Office free of basic rent, provided the Purchaser shall pay, during the portion of the Head Office Occupancy Period it remains in occupation of the Head Office, all Occupancy Costs. The Purchaser shall be entitled to terminate the Head Office Occupancy Period with prior written notice of a minimum of one month but shall take commercially reasonable efforts to provide two months’ notice. Upon providing written notice to the Vendors, the Purchaser shall be entitled to vacate any portion of the Head Office during the Head Office Occupancy Period. In the event that the vacated portion of the Head Office is relet to a new tenant, Occupancy Costs shall be adjusted proportionally. For the portion of the Head Office Occupancy Period the Purchaser remains in occupation of the Head Office, the Vendors shall use commercially reasonable efforts to supply the Purchaser with the services of the Head Office Employees as required by the Purchaser.

Section 9.6 Removal of Purchased Assets

- (1) At its own cost and expense, the Purchaser will be responsible for the removal of any Purchased Assets from:
 - (a) the Head Office by the end of the portion of the Head Office Occupancy Period the Purchaser remains in occupation of the Head Office; and
 - (b) each Excluded Location by the end of the applicable Interim Period,

which removal will be done with the care that a prudent tenant would use, by reputable and competent personnel, in a good and workmanlike manner, and in compliance with all laws. At its own cost and expense, the Purchaser will leave the Head Office and each Excluded Location in an orderly condition and will remedy, reimburse or repair any physical damage or other condition resulting from the Purchaser’s failure to checkout, dismount, dismantle or remove the Purchased Assets with the care that a prudent tenant would use. The Purchaser will not be obligated to remove any Excluded Assets and will not be required to remedy any condition existing prior to the Closing.

- (2) As to its obligations provided in Section 8.4(2)(b) and Section 9.6(1), the Purchaser hereby indemnifies and saves harmless the Vendor from and against all manner of claims, demands and liabilities of any nature whatsoever arising therefrom, including the access to and/or removal of the Purchased Assets from the Premises by the Purchaser and/or its employees and agents.

Section 9.7 Professional Costs

The Purchaser shall pay, within two Business Days following a request therefor, together with appropriate supporting documentation, █% of reasonable, out-of-pocket professional costs of the Vendors and the Proposal Trustee relating to any motion for an Assignment Order, the motion for the required extension of the Proposal Period beyond the Designation Deadline or any motion for a further extension of the Proposal Period requested by the Purchaser during the Head Office Occupancy Period, provided that the Purchaser's obligations under this Section 9.7 shall be capped at a maximum of █ if no Assignment Order is required, which cap shall rise to a maximum of █ if one or more Assignment Orders are required.

Section 9.8 Risk of Loss

- (a) Until the Time of Closing or the applicable Assignment Date the Purchased Assets will remain at the risk of the Vendors.
- (b) If all or any portion of the Purchased Assets are damaged or destroyed or appropriated, expropriated or seized by any Person on or prior to the Time of Closing or the applicable Assignment Date, the Vendors shall notify the Purchaser promptly in writing of such fact, and if such acts or events have a Material Adverse Effect, then the Purchaser may, at its option, terminate this Agreement and the Deposit will be released to the Purchaser.
- (c) If the Purchased Assets that are damaged or destroyed or appropriated, expropriated or seized by any Person on or prior to the Closing Date or the applicable Assignment Date, in the aggregate do not have a Material Adverse Effect, at the Purchaser's option:
- (i) All proceeds of insurance or compensation for expropriation or seizure in respect thereof will be payable to the Purchaser, all amounts paid to the Vendors prior to the Closing Date will be included in the Purchased Assets and transferred to the Purchaser on Closing, and all right and claim of the Vendors to any such amounts not paid by the Closing Date will be assigned to the Purchaser; or
 - (ii) The Purchase Price will be reduced by an amount equal to estimated value of those Purchased Assets that are damaged, destroyed, appropriated or expropriated; or
 - (iii) All proceeds of insurance or compensation for expropriation or seizure in respect thereof will be payable to the Purchaser, all

amounts paid to the Vendors prior to the Closing Date will be included in the Purchased Assets and transferred to the Purchaser on Closing, and all right and claim of the Vendors to any such amounts not paid by the Closing Date will be assigned to the Purchaser, and the Purchase Price will be reduced by an amount equal to the amount by which the estimated value of those Purchased Assets exceeds such amount.

- (d) The Vendors shall consult with the Purchaser prior to making a claim against any applicable insurance policy and shall act reasonably and bona fide in respect thereof and in a manner consistent with the Purchaser's interest in the Business and the Purchased Assets. The Vendors shall make, or cause to be made, by the Closing Date, the necessary claims under all applicable insurance policies and shall assign to the Purchaser all remaining insurance proceeds, including business interruption insurance proceeds, which are or may become receivable by the Vendor in respect of any such loss, damage or destruction.

Section 9.9 Access to Books and Records

For a period of 6 years from the Closing Date or for such longer period as may be required by Law, the Purchaser will use its reasonable **commercial** effects, without any liability to the Vendor, to retain all Books and Records. So long as any such books and records are retained by the Purchaser pursuant to this Agreement, the Vendors, the Proposal Trustee, any receiver or bankruptcy trustee appointed in respect of the Vendors and their respective representatives shall have the right to inspect and to make copies (at its own expense) of them upon reasonable request during normal business hours and upon reasonable notice for any proper purpose and without undue interference to the business operations of the Purchaser. The Purchaser has the right to have its representatives present during any such inspection.

Section 9.10 Use of Business Names.

Following the Closing Date the Vendors will refrain from using any business names related to the Business in any insolvency proceedings, except as required by any Laws or by any Governmental Entity with jurisdiction under the BIA.

Section 9.11 Return of Surplus Funding.

The Vendors shall return to the Purchaser any unused funding granted pursuant to Sections 7.1(1) and 7.1(2) within two (2) Business Days following the completion of the applicable Interim Period or Head Office Occupancy Period.

ARTICLE 10 CONDITIONS OF CLOSING

Section 10.1 Conditions for the Benefit of both Parties.

The purchase and sale of the Purchased Assets is subject to the following conditions to be fulfilled or performed on or before the Closing Date:

- (1) **No Court Orders.** No provision of any applicable Law and no judgment, injunction, order or decree that prohibits the consummation of the purchase of the Purchased Assets pursuant to this Agreement shall be in effect;
- (2) **Approval and Vesting Order.** The Approval and Vesting Order shall have been issued and entered and shall not have been stayed, amended, appealed, modified, reversed or dismissed as at the Closing Date; and
- (3) **Assignment Order.** Any Assignment Order required prior to Closing shall have been issued and entered and shall not have been stayed, amended, appealed, modified, reversed or dismissed as at the Closing Date.

Section 10.2 Conditions for the Benefit of the Purchaser.

The purchase and sale of the Purchased Assets is subject to the following conditions to be fulfilled or performed on or before the Closing Date, which conditions are for the exclusive benefit of the Purchaser and may be waived, in whole or in part, by the Purchaser in its sole discretion:

- (1) **Covenants.** The Vendors shall have fulfilled or complied with all covenants contained in this Agreement required to be fulfilled or complied with by them at or prior to the Closing Date, including delivery by the Vendors of the documents and instruments contemplated by Section 11.2.
- (2) **Representations and Warranties.** The representations and warranties of the Vendors contained in this Agreement shall be true and correct as of the Closing Date, with the same force and effect as if such representations and warranties had been made on and as of such date;
- (3) **No Bankruptcy.** The Vendors shall not be and shall not have become bankrupts under the BIA; and
- (4) **Material Adverse Effect.** There shall have been no change, effect, event or occurrence arising after the date of this Agreement that, individually or in the aggregate is, or would reasonably be expected to be, materially adverse to the Business or the Purchased Assets, excluding (i) any adverse change, effect or circumstance relating generally to financial markets or general economic conditions, including any currency fluctuations, (ii) any adverse change, effect or circumstance relating to conditions generally affecting the industry in which the Business operates, and not affecting the Business in a materially disproportionate manner, (iii)

war, act of terrorism, civil unrest or similar event (iv) any generally applicable change in Laws or interpretation thereof, (v) any adverse change, effect or circumstance resulting from an action required or permitted by this Agreement, (vi) any adverse change, effect or circumstance caused by the announcement or pendency of this Agreement or the transactions contemplated by this Agreement, or (vii) the existence of the Proposal Proceedings (“**Material Adverse Effect**”).

Section 10.3 Conditions for the Benefit of the Vendor.

The purchase and sale of the Purchased Assets is subject to the following conditions to be fulfilled or performed on or before the Closing Date, which are for the exclusive benefit of the Vendors and which may be waived, in whole or in part, by the Vendors in their sole discretion:

- (1) **Representations and Warranties.** The representations and warranties of the Purchaser contained in this Agreement shall be true and correct as of the Closing Date in all material respects, with the same force and effect as if such representations and warranties had been made on and as of such date; and
- (2) **Covenants.** The Purchaser shall have fulfilled or complied with all covenants contained in this Agreement required to be fulfilled or complied with by it at or prior to the Closing Date, including delivery by the Purchaser of the documents and instruments contemplated by Section 11.3.

ARTICLE 11 CLOSING

Section 11.1 General.

- (1) The completion of the transactions of purchase, sale and assumption contemplated by this Agreement (the “**Closing**”) shall take place at the offices of Aird & Berlis LLP, 181 Bay Street, Suite 1800, Toronto, ON, on the Closing Date, at the Time of Closing, or at such other place as may be agreed upon in writing by the parties.
- (2) As soon as practicable following execution of this Agreement, the Vendors shall file motion materials seeking the issuance of the Approval and Vesting Order and any Assignment Order, provided that the Purchaser has had a reasonable opportunity to review and approve the form of Approval and Vesting Order and the service list for the motion in advance of filing with the Court. The Vendors shall serve notice of the motion seeking the issuance and entry of the Approval and Vesting Order and any Assignment Order on the existing service list, all Persons with a known interest or potential interest in, or claims to, the Purchased Assets or any Person determined reasonably necessary by the Purchaser and shall provide reasonable advance notice of any Court appearances so that the Purchaser may make arrangements to attend if it so desires.
- (3) The parties hereby acknowledge and agree that the Proposal Trustee shall be entitled in accordance with the Approval and Vesting Order to file a certificate, substantially

in the form attached to the Approval and Vesting Order (the “**Proposal Trustee’s Certificate**”), with the Court upon receiving written confirmation from the Vendors and the Purchaser that all conditions of Closing have been satisfied or waived.

Section 11.2 Vendor’s Closing Deliveries.

At the Closing, the Vendors shall execute and/or deliver or cause to be delivered to the Purchaser the following:

- (a) the Purchased Assets, which shall be delivered *in situ* wherever located as of the Closing;
- (b) a notarial copy of the Approval and Vesting Order, as entered by the Court;
- (c) a notarial copy of any then-required Assignment Order, as entered by the Court;
- (d) true and complete copies of all contracts and leases to which either Vendor is a party, to the extent not delivered prior to Closing and copies of all consents obtained in relation to Consent Required Agreements;
- (e) such executed Tax elections as are required pursuant to Article 6;
- (f) a certificate executed by a senior officer of each Vendor dated as of the Closing Date confirming that (i) all of the representations and warranties of the Vendors made in or pursuant to this Agreement shall be true and correct in all material respects at the Time of Closing and with the same effect as if made at and as of such time, except as such representations and warranties may be affected by the occurrence of events or transactions contemplated or permitted by this Agreement and (ii) the Vendor has performed or complied with all its obligations and covenants under this Agreement;
- (g) all keys, security passes and alarm codes with respect to the Assigned Leases;
- (h) copies of any releases from employees related to the Vendors that are requested by the Purchaser;
- (i) all such bills of sale, assignments, instruments of transfer, deeds, assurances, consents and other documents as shall be necessary to effectively transfer to the Purchaser the Purchased Assets;
- (j) all such other assurances, consents, agreements, documents and instruments as may be reasonably required by the Purchaser to complete the transactions provided for in this Agreement;
- (k) duly executed copies of any assignments requested by the Purchaser to effect the transfer of the Intellectual Property;

- (l) a signed acknowledgement from the Vendors' affiliate 135 Sparks Ave. Inc., acknowledging the requirements in Section 9.5; and
- (m) a true and complete copy of the Proposal Trustee's Certificate executed by the Proposal Trustee (such Proposal Trustee's Certificate to be filed with the Court by the Proposal Trustee following Closing and a copy of such filed Proposal Trustee's Certificate shall be delivered to the Purchaser promptly thereafter).

Section 11.3 Purchaser's Closing Deliveries.

At the Closing, the Purchaser shall execute and/or deliver or cause to be delivered to the Vendors the following:

- (a) subject to Section 13.3, the payment contemplated by Section 5.4(b);
- (b) payment of any applicable Transfer Taxes; and
- (c) such executed Tax elections as are required pursuant to Article 6.

**ARTICLE 12
TERMINATION**

Section 12.1 Termination of Agreement.

This Agreement may by notice in writing given prior to or on the Closing Date be terminated:

- (a) by mutual consent of the Vendors and the Purchaser;
- (b) by the Purchaser or the Vendors if the Approval and Vesting Order shall fail, once granted, to be in full force and effect or shall have been amended, appealed, modified, reversed or dismissed without the prior written consent of the Purchaser;
- (c) by the Purchaser (unless waived by the Purchaser) if the Assignment Order shall fail, once granted, to be in full force and effect or shall have been amended, appealed, modified, reversed or dismissed without the prior written consent of the Purchaser;
- (d) by the Purchaser if an event has occurred as a result of which the conditions in Section 10.1 or Section 10.2 are not capable of being satisfied by the Outside Date, as reasonably determined by the Purchaser; or
- (e) automatically if the Closing has not occurred by the end of the day on the Outside Date.

Section 12.2 Effect of Termination.

In the event that the Agreement is terminated in accordance with Section 12.1, then the Deposit will be returned to the Purchaser and each of the parties shall be relieved of its duties and obligations arising under this Agreement effective as of the date of such termination and such termination shall be without liability to the Purchaser and the Vendors; provided however that in no event shall any termination of this Agreement relieve any party hereto of any liability for any willful or intentional breach of this Agreement by such party **[or affect the treatment of the Deposit as provided in Section 5.2.]**

ARTICLE 13 MISCELLANEOUS

Section 13.1 Notices.

Any notice, direction or other communication given regarding the matters contemplated by this Agreement (each a “**Notice**”) must be in writing, sent by personal delivery, courier or electronic mail and addressed:

(a) to the Vendors at:

MRP Retail Inc.
135 Sparks Avenue
Toronto, Ontario M2H 2S5

Attention: Malcolm Perlman
Email: malcolm@jeanmachine.com

with a copy to:

Aird & Berlis LLP
Brookfield Place
181 Bay Street, Suite 1800
Toronto, Ontario M5J 2T9

Attention: Ken Rosenstein
Email: krosenstein@airdberlis.com

with a copy to:

Richter Advisory Group Inc.
Brookfield Place
181 Bay Street, Suite 3320
Toronto, Ontario M5J 2T3

Attention: Adam Sherman
Email: asherman@richter.ca

(b) to the Purchaser at:

Pacific West Commercial Corporation
 650 West Georgia Street, Suite 2900
 Vancouver, British Columbia V6B 4N8

Attention: Shamsh Kassam
 Email: skassam@sternpartners.com

Attention: Shawn Lewis
 Email: slewis@sternpartners.com

with a copy to:

McCarthy Tétrault LLP
 Suite 5300, Toronto Dominion Bank Tower
 Toronto, Ontario M5K 1E6

Attention: Barbara Boake
 Email: bboake@mccarthy.ca

A Notice is deemed to be given and received if sent by personal delivery, courier or electronic mail, on the date of delivery if it is a Business Day and the delivery was made prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next Business Day. A party may change its address for service from time to time by providing a Notice in accordance with the foregoing. Any subsequent Notice must be sent to the party at its changed address. Any element of a party's address that is not specifically changed in a Notice will be assumed not to be changed. Sending a copy of a Notice to a party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the Notice to that party. The failure to send a copy of a Notice to legal counsel does not invalidate delivery of that Notice to a party.

Section 13.2 Assignment.

- (1) Except as provided in this Section 13.2, neither this Agreement nor any of the rights or obligations under this Agreement may be assigned or transferred, in whole or in part, by any party without the prior written consent of the other parties.
- (2) Upon giving notice to the Vendors at any time on or prior to one Business Day prior to the date of the hearing for the Approval and Vesting Order, the Purchaser is entitled to assign this Agreement or any of its rights under this Agreement to one or more of its affiliates (as such term is defined in *National Instrument 45-106*).

Section 13.3 Survival.

Any provision of this Agreement which contemplates performance or the existence of obligations after the Closing Date shall not be deemed to be merged into or waived by the execution, delivery or performance of this Agreement or documents delivered in connection herewith or Closing, but shall expressly survive the execution, delivery and performance of this Agreement, Closing and the execution, delivery and performance of any and all

documents delivered in connection with this Agreement and shall be binding upon the party or parties obligated thereby (including any trustee-in-bankruptcy appointed in respect of such party) in accordance with the terms of this Agreement.

Section 13.4 Time of the Essence.

Time is of the essence in this Agreement.

Section 13.5 Enurement.

This Agreement becomes effective when executed by the Vendors and the Purchaser. After that time, it will be binding upon and enure to the benefit of the parties and their respective successors, legal representatives and permitted assigns. Neither this Agreement nor any of the rights or obligations under this Agreement, including any right to payment, may be assigned or transferred, in whole or in part, by either party without the prior written consent of the other party.

Section 13.6 Entire Agreement.

This Agreement and the other documents executed in connection herewith constitutes the entire agreement between the parties with respect to the transactions contemplated in this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties with respect to such transactions. There are no representations, warranties, covenants, conditions or other agreements, express or implied, collateral, statutory or otherwise, between the parties in connection with the subject matter of this Agreement, except as specifically set forth in this Agreement. The parties have not relied and are not relying on any other information, discussion or understanding in entering into and completing the transactions contemplated by this Agreement.

Section 13.7 Waiver.

No waiver of any of the provisions of this Agreement will constitute a waiver of any other provision (whether or not similar). No waiver will be binding unless executed in writing by the party to be bound by the waiver. A party's failure or delay in exercising any right under this Agreement will not operate as a waiver of that right. A single or partial exercise of any right will not preclude a party from any other or further exercise of that right or the exercise of any other right it may have.

Section 13.8 Amendments.

This Agreement may only be amended, supplemented or otherwise modified by written agreement signed by the Vendors and the Purchaser.

Section 13.9 Further Assurances.

From and after the Closing Date, each of the parties covenants and agrees to do such things, to attend such meetings and to execute such further conveyances, transfers, documents and assurances as may be deemed necessary or advisable from time to time in

order to effectively transfer the Purchased Assets and the Assumed Liabilities to the Purchaser and carry out the terms and conditions of this Agreement in accordance with their true intent.

Section 13.10 Severability.

If any provision of this Agreement is determined to be illegal, invalid or unenforceable, by any court of competent jurisdiction from which no appeal exists or is taken, that provision will be severed from this Agreement and the remaining provisions will remain in full force and effect.

Section 13.11 Governing Law.

This Agreement is governed by, and will be interpreted and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein.

Section 13.12 Confidentiality.

After the Closing Date or the applicable Assignment Date, the Vendors shall keep confidential all personal information it disclosed to the Purchaser and all information relating to the Business, except information which:

- (a) is part of the public domain;
- (b) becomes part of the public domain other than as a result of a breach of these provisions by the Vendors; or
- (c) was received in good faith after the Closing Date or the applicable Assignment Date from an independent Person who was lawfully in possession of such information free of any obligation of confidence.

Section 13.13 Counterparts.

This Agreement may be executed in any number of counterparts, each of which is deemed to be an original, and such counterparts together constitute one and the same instrument. Transmission of an executed signature page by facsimile, email or other electronic means is as effective as a manually executed counterpart of this Agreement.

Section 13.14 Public Notices.

The parties shall jointly plan and co-ordinate any public notices, press releases, and any other publicity concerning the transactions contemplated by this Agreement and no party shall act in this regard without the prior approval of the other.

[signature page follows]

MRP RETAIL INC.

By: _____

Name:

Title: SECRETARY

MRP FAMILY RETAIL INC.

By: _____

Name:

Title: SECRETARY

PACIFIC WEST COMMERCIAL CORPORATION

By: _____

Name:

Title:

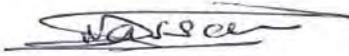
MRP RETAIL INC.

By: _____
Name:
Title:

MRP FAMILY RETAIL INC.

By: _____
Name:
Title:

PACIFIC WEST COMMERCIAL CORPORATION

By:  _____
Name: Shamsh Kassam
Title: Chief Financial Officer

Schedule "A" Permitted Encumbrances

None

Schedule "B" Assigned Contracts

Any contract or agreement designated as an Assigned Contract by the Purchaser prior to the Designation Deadline in accordance with the terms of this Agreement.

Schedule "C" Assigned Leases

Any contract or agreement designated as an Assigned Lease by the Purchaser prior to the Designation Deadline in accordance with the terms of this Agreement.

Schedule "D" Non-Business Excluded Assets

Barber chair

Juke box

Avenue 700 blue Bicycle

Coke machine

Sunrise awards & memorabilia

Black granite top desk in Darren Perlman's office (8 by 4)

Technion Office Dividers in general office

Personal household furniture

Dewalt Table top saw

The following vehicles:

YEAR	VEHICLE	PLATE #	VIN#
1967	Volkswagon Van	ACTB668	257136276
2016	Acura TXB	ASZC908	19UUB3F35GA801172
2016	Acura RDX	BNTB642	5J8TB4H53GL805175
2016	Acura MDX	DENIM2	5FRYD4H4GB503951
2014	Chev Van	AK85367	1GCWGFFA1E1188425
2011	Volvo S40	APAH731	YV1672MS1B2547454
1989	Old English Cab	AXAR945	FX4NDR00069981
2012	Volvo ST5	BPRR428	YV1622FSXC2144179
2011	Toyota Rav4	DENIM1	2T3DFREV5EW220004
2014	Lexus	194ZSF	JTHCF1D2XE5003624
1962	Lambretta	9M185	217780
1956	Vespa	9M182	VL3T124616

Schedule "E" Filing Date Inventory Summary

Inventory by Season Code as at January 9, 2017		
Season	Total on Hand	Total Cost on Hand
11	32	638.51
12	12	302.54
13	(12)	(87.52)
14	220	5,386.90
15	(33)	(521.43)
16	67	1,554.60
17	33	3,731.73
18	115	2,019.50
19	108	1,877.54
20	1,377	28,685.87
21	1,274	31,394.27
22	1,765	51,692.39
23	2,218	71,503.50
24	6,444	100,180.71
25	3,171	74,768.18
26	5,246	115,802.47
27	6,377	194,528.36
28	23,329	596,150.54
29	77,204	2,367,632.71
30	82	808.10
3995	80	1,700.22
PERM	350	6,900.49
Total	129,459	3,656,650.18

Schedule "F" Inventory Adjustment

Season	Jan 9, 2017	Season	Closing	Inventory Adjustment
11	639	11		No Adjustment
12	303	12		No Adjustment
13	(88)	13		No Adjustment
14	5,387	14		No Adjustment
15	(521)	15		No Adjustment
16	1,555	16		No Adjustment
17	3,732	17		No Adjustment
18	2,020	18		No Adjustment
19	1,878	19		No Adjustment
20	28,686	20		No Adjustment
21	31,394	21		No Adjustment
22	51,692	22		No Adjustment
23	71,504	23		No Adjustment
24	100,181	24		No Adjustment
25	74,768	25		No Adjustment
26	115,802	26		No Adjustment
27	194,528	27		No Adjustment
28	596,151	28		To be Calculated
29	2,367,633	29		To be Calculated
30	808	30		To be Calculated
31	-	31		To be Calculated
3995	1,700	3995		No Adjustment
PERM	6,900	PERM		To be Calculated
Grand Total	3,656,650	Grand Total		To be Calculated

Schedule "G" Inventory Deposits**Inventory Deposits (as at March 6, 2017)**

Vendor	PO#	PO Amount	Deposit Amount
Desire Fashion Holdings Inc. (PO attached)	146556	31,612.50	15,806.25
Total Deposits			15,806.25

[Purchase Orders Attached]

Purchase Order

To: **DESIRE FASHION HOLDING INC.**

Purchase Order # 146556

108 TYCOS DRIVE

Order Date Feb-23-2017

NORTH YORK, ON

Delivery Date Mar-28-2017

CANADA

Cancellation Date Mar-31-2017

M6B 1V9

Tel: 416-781-1668

Fax: 416-781-1612

ALL PURCHASE ORDERS ARE SUBJECT TO JEAN MACHINES TERMS AND CONDITIONS. ALL SHIPPED PRODUCT MUST HAVE A CA# AND/OR RN# INDICATED ON THE CARE CONTENT LABEL.

Bill To **MRP Retail**

Ship To

JEAN MACHINE#J099

135 SPARKS AVENUE
TORONTO, ON
CANADA

135 SPARKS AVENUE
TORONTO, ON
CANADA

M2H2S5

M2H2S5

Tel: (416) 498-6601
Fax:

Tel: (416) 498-6601
Fax:

Buyer **MICHELLE CHIN-LEE**
Transport **FOB JEAN MACHINE DOCK**

Order Type **REPEAT STYLE ORDER**
Terms **Net 60 Days.**

Product Code	Description	Qty	Unit Cost	Ext. Cost	Landed Cost	Ext. LC	Retail	Ext. Retail
RY2072140(NEW COLOR)	YDES OFF-SHOULDER LACE TRIM FLOWY BLOUSE	180	\$13.50	\$2,430.00	\$13.50	\$2,430.00	\$49.99	\$8,998.20

YDES-30000-IVR
DESIRE, CHINA, STUDIO LABEL, 100 POLY, SAMPLE=10=S
IVORY AS SAMPLE, TOP CUP TO HEM=17"

Color	S	M	L
IV - IVORY	120	45	15
	180		

Purchase Order # 146556

Product Code	Description	Qty	Unit Cost	Ext. Cost	Landed Cost	Ext. LC	Retail	Ext. Retail										
RY2072140	YDES OFF-SHOULDER LACE TRIM FLOWY BLOUSE YDES-30000-LTGRY DESIRE, CHINA, STUDIO LABEL, 100 POLY, SAMPLE=10=S LT GREY AS SAMPLE, TOP CUP TO HEM=17"	120	\$13.50	\$1,620.00	\$13.50	\$1,620.00	\$49.99	\$5,998.80										
<table border="1"> <tr> <td>Color</td> <td>S</td> <td>M</td> <td>L</td> <td></td> </tr> <tr> <td>LTGRY - LIGHT GREY</td> <td>80</td> <td>30</td> <td>10</td> <td>120</td> </tr> </table>		Color	S	M	L		LTGRY - LIGHT GREY	80	30	10	120							
Color	S	M	L															
LTGRY - LIGHT GREY	80	30	10	120														

Product Code	Description	Qty	Unit Cost	Ext. Cost	Landed Cost	Ext. LC	Retail	Ext. Retail										
RY2071809-NVY	YDES BELLA DRESS - ZIP FR W POCKETS YDES-30003-NVY DESIRE, STUDIO LABEL, SAMPLE=10=S, 100 POLY ADD LOWER BODY LINING, NAVY/PCH PRINT AS SAMPLE	180	\$20.00	\$3,600.00	\$20.00	\$3,600.00	\$69.99	\$12,598.20										
<table border="1"> <tr> <td>Color</td> <td>XS</td> <td>S</td> <td>M</td> <td>L</td> </tr> <tr> <td>NV - NAVY</td> <td>42</td> <td>53</td> <td>53</td> <td>32 180</td> </tr> </table>		Color	XS	S	M	L	NV - NAVY	42	53	53	32 180							
Color	XS	S	M	L														
NV - NAVY	42	53	53	32 180														

Product Code	Description	Qty	Unit Cost	Ext. Cost	Landed Cost	Ext. LC	Retail	Ext. Retail										
RY2071809-BLSH	YDES BELLA DRESS - ZIP FR W POCKETS YDES-30004-BLSH DESIRE, STUDIO LABEL, SAMPLE=10=S, 100 POLY ADD LOWER BODY LINING, BLUSH PRINT AS SAMPLE	180	\$20.00	\$3,600.00	\$20.00	\$3,600.00	\$69.99	\$12,598.20										
<table border="1"> <tr> <td>Color</td> <td>XS</td> <td>S</td> <td>M</td> <td>L</td> </tr> <tr> <td>BLSH - BLUSH</td> <td>36</td> <td>72</td> <td>48</td> <td>24 180</td> </tr> </table>		Color	XS	S	M	L	BLSH - BLUSH	36	72	48	24 180							
Color	XS	S	M	L														
BLSH - BLUSH	36	72	48	24 180														

Product Code	Description	Qty	Unit Cost	Ext. Cost	Landed Cost	Ext. LC	Retail	Ext. Retail										
TQ2060408-S17	YDES MINDY DRESS - FLORAL PRINT YDES-30006-FLR DESIRE, CHINA, STUDIO LABEL, AS LY YDES-28027-FLR 100 POLY FLORAL PRINT FABRIC AND LINING AS LY	301	\$16.00	\$4,816.00	\$16.00	\$4,816.00	\$59.99	\$18,056.99										
<table border="1"> <tr> <td>Color</td> <td>XS</td> <td>S</td> <td>M</td> <td>L</td> </tr> <tr> <td>FLORAL - FLORAL</td> <td>81</td> <td>104</td> <td>81</td> <td>35 301</td> </tr> </table>		Color	XS	S	M	L	FLORAL - FLORAL	81	104	81	35 301							
Color	XS	S	M	L														
FLORAL - FLORAL	81	104	81	35 301														

Product Code	Description	Qty	Unit Cost	Ext. Cost	Landed Cost	Ext. LC	Retail	Ext. Retail
RQ2172168(NEW COLOR)	YDES SLEEVELESS RUFFLE TOP YDES-30007-BLK DESIRE, CHINA, SIZE 10 = S, HSP LENGTH TO BE 20" BLACK AS SAMPLE, 100% POLY	100	\$11.50	\$1,150.00	\$11.50	\$1,150.00	\$34.99	\$3,499.00

Color	S	M	L	
BLK - BLACK	60	30	10	100

Product Code	Description	Qty	Unit Cost	Ext. Cost	Landed Cost	Ext. LC	Retail	Ext. Retail
RQ2172168	YDES SLEEVELESS RUFFLE TOP	200	\$11.50	\$2,300.00	\$11.50	\$2,300.00	\$34.99	\$6,998.00

YDES-30007-IVR
 DESIRE, CHINA, SIZE 10 = S, HSP LENGTH TO BE 20"
 NORRY AS SAMPLE, 100% POLY

Color	S	M	L	
IV - IVORY	120	60	20	200

Product Code	Description	Qty	Unit Cost	Ext. Cost	Landed Cost	Ext. LC	Retail	Ext. Retail
RK2052360	YDES SLEEVELESS HIGH LOWLEAF PRINT TOP	160	\$14.00	\$2,240.00	\$14.00	\$2,240.00	\$44.99	\$7,198.40

YDES-30008-BLSH
 DESIRE, CHINA, SAMPLE SIZE 10=S
 100 POLY, BLUSH PALMLEAF PRINT AS SAMPLE

Color	S	M	L	
BLSH - BLUSH	80	50	30	160

Product Code	Description	Qty	Unit Cost	Ext. Cost	Landed Cost	Ext. LC	Retail	Ext. Retail
RY2192006	YDES L/S PRINTED LACE UP NK BLOUSE	240	\$14.00	\$3,360.00	\$14.00	\$3,360.00	\$49.99	\$11,997.60

YDES-30009-WHT/BLU
 DESIRE, CHINA, SIZE 12=M
 WHITE/BLUE PRINT AS SAMPLE, 100 POLY

Color	S	M	L	
W/H/BL - WHITE/BLUE	114	80	46	240

Product Code	Description	Qty	Unit Cost	Ext. Cost	Landed Cost	Ext. LC	Retail	Ext. Retail
RY2072285	YDES CHARLOTTE DRESS OFF-SHLDR LACE TRIM	181	\$16.50	\$2,986.50	\$16.50	\$2,986.50	\$59.99	\$10,858.19

YDES-30010-IVR
 DESIRE, CHINA, SAMPLE SIZE 10 = S
 100 POLY, IVORY AS SAMPLE

Purchase Order # 146556

Page : 4

Color	XS	S	M	L
IV - IVORY	45	68	45	23 181

Product Code	Description	Qty	Unit Cost	Ext. Cost	Landed Cost	Ext. LC	Retail	Ext. Retail
RY2072547	YDES ABBIE DRESS - PRINTED SPAG STRAPS	180	\$19.50	\$3,510.00	\$19.50	\$3,510.00	\$69.99	\$12,598.20

YDES-30011-LAV
 DESIRE, CHINA, SAMPLE SIZE 10=S, 100% POLY
 SOFT LAVENDER FEATHER PRINT AS SAMPLE, 50" HSP

Color	XS	S	M	L
LAV - LAVENDER	55	55	42	28 180

Summary	Items : 2,022	Total Cost :	\$31,612.50	Total LC :	\$31,612.50	Total Retail \$:	\$111,399.78
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Schedule "H" Management Fees

None

Schedule "I" Written Employment Contracts

Head Office Employee Contracts:

Name	Position	Date
██████████	Buyer	November 1, 2012
██████████	Online Customer Service Associate	January 19, 2017
██████████	Accounting Clerk	July 5, 2007
██████████	Buyer	October 11, 2016
██████████	Controller	April 18, 2008
██████████	Ecommerce Marketing and Merchandising Manager	August 3, 2015
██████████	Full Time Graphic Artist	December 8, 2015
██████████	Buying Coordinator	March 26, 2012
██████████	Outlet Coordinator	December 28, 2012
██████████	Online Sales and Inventory Coordinator	April 11, 2012
██████████	Part Time Warehouse Associate	July 11, 2014
██████████	Part Time Warehouse Associate	March 2, 2015
██████████	Part Time Warehouse Associate	October 9, 2015
██████████	Buyer	July 19, 2013
██████████	Product Placement Coordinator	August 11, 2003
██████████	Online Inventory and In-Store Customer Service Manager	January 7, 2015

Name	Position	Date
██████████	Social Media Coordinator	October 29, 2015
██████████	Human Resource Manager	March 22, 2013
██████████	Warehouse Manager	January 5, 2012
██████████	Accounting Clerk	August 28, 2006

Area/District Manager/Leader Contracts:

Name	Position	Date
██████████	Area Manager	January 9, 2017
██████████	Area Manager	January 24, 2017
██████████	Area Manager	September 28, 2016
██████████	Area Manager	June 24, 2010
██████████	District Manager	September 18, 2014
██████████	Area Leader	January 4, 2017
██████████	Area Leader	January 16, 2017

Contract Templates:

[See attached]



135 Sparks Avenue Scarborough ON M2H 2S5
 Phone: 416-498-6601 Fax: 416-494-8467

Date: _____

Private and Confidential

Name:
 Address:

Dear _____,

Congratulations, we are pleased to extend you an offer of employment with Jean Machine. Below you will find a summary of the offer.

Position: Full Time Sales Associate

Location: _____

Reporting Relationship: You will report to the Store Manager

Start Date: _____

Salary: Your rate of remuneration will be \$10.25 per hour with 1.5% commissions on weekly personal sales (minimum hourly rate of \$11.40 applies).

Vacation: You are entitled to two (2) weeks of vacation per year, with vacation pay accruing at a rate of 4% per week.

Benefits: You will be eligible to participate in the Employee Benefit Plan after 6 months of full-time employment, at which time you will receive a basic benefits package. When you have achieved 18 months of full time service with us, you will be graduated to a premium benefits plan. This plan is fully paid by the Company and is of no cost to you.

Exclusivity: During the term of your employment, you will be bound to deliver professional services only to Jean Machine and its affiliated companies, and you may not render services to any other company, even if non-competing.

You also agree that in the 12 months following the termination of your employment with the Company for any reason, you shall not, directly or indirectly, individually or in partnership or jointly or in conjunction with any other person, whether as an employee, owner, partner, shareholder, officer, director, member, advisor, consultant, agent or otherwise, solicit or attempt to solicit any employee, consultant, independent contractor or agent of the Company with whom you have had contact in the 24 months preceding the termination of your employment, to terminate or alter in a manner that is detrimental to the Company, his, her or its relationship with the Company.



The Company will be entitled to any injunction and/or specific enforcement of the terms hereof in addition to any other remedy to which it may be entitled, at law or in equity, in respect of any breach or threatened breach of this Agreement.

Confidentiality:

As a condition of your employment, you will keep all Company information confidential.

Notice & Termination:

The first ninety days of employment represent a probationary period, during which either you or we may terminate your employment for any reason without notice and without the payment of any further monies. After such time, we would require a minimum of two weeks notice, should you choose to resign.

Following the probationary period, in the event that it becomes necessary to terminate your employment without cause the Company will provide you with such notice (or payment in lieu of notice) or severance pay that may be required to meet the requirements of the Employment Standards Act, 2000, as amended. You understand and agree that the Company has no obligation to make any additional payments to you or to provide you with any additional notice upon termination. You also understand and agree that the Company would not have entered into this agreement if it were required to provide notice in excess of the Employment Standards Act, 2000.

If your employment is terminated without cause, the Company will continue your group insurance benefit coverage for such period as the Employment Standards Act, 2000 shall require, provided such coverage is available from the insurer.

The Company may terminate your employment without notice where just cause exists for the dismissal.

Invalidation or unenforceability of any provisions herein shall in no way affect any other provision herein; such other provision(s) shall remain in full force and effect. Any invalid or unenforceable provision shall be replaced by that legally valid provision that most closely effectuates the effect of the invalid provision.

After reviewing the offer as stated herein, if you agree to all of its terms, please sign the enclosed copy and return it to myself no later than _____. This letter, which constitutes a contract, may be changed, amended or modified only by written agreement endorsed herein and signed by both you and the Company. The second copy is for your personal records.

We look forward to a mutually beneficial working relationship. Again, congratulations and good luck!

Sincerely,
Jean Machine

Store Manager

Agreed and accepted _____
Employee Signature

this ___ day of _____, 2017.



Social Insurance Number: _____

Date of Birth: _____ / _____ / _____
 DAY MONTH YEAR

Gender Male [] Female []



Sales Associate

At Jean Machine, our vision is to be the first choice for high quality jeans and casual fashion in every market we serve. If you have a passion for denim, and you have your finger on the fashion pulse, then we want you to join the Jean Machine team. The ideal candidate will have previous retail experience. In this position you will work closely with Store Management and other sales associates to ensure the highest level of customer service in all areas including sales floor, fitting rooms, and cash.

Reports to: Store Manager

Key Job Function and Accountabilities

- Promote total customer service in friendly way and as the most important consideration in every transaction
- Provide highest level of customer service utilizing the “Steps of Selling”
- Responsible for personal budgets and maximization of sales in compliance with company policies
- Develop and maintain product knowledge
- Maintain a neat, organized and well stocked sales floor
- Ensure merchandise is properly ticketed and attractively displayed
- Responsible for adherence to all loss prevention, security policies and credit policies and procedures
- Responsible for accuracy of P.O.S transactions
- Communicate stock replenishment needs to Store Manager
- Ensure special order, recalls and transfers are handled efficiently
- Comply with all Jean Machine store policies and procedures
- Conform to the company’s dress code and presents an image that is consistent with the Jean Machine brand
- Acts as a shadow partner to new team members as requested
- Able to use a ladder and lift boxes containing product between 1-30lbs
- Able to work Holidays, weekends, evenings and some overnight shifts as necessary
- Perform other duties as assigned by the Management Team

Our Values:

- **Passionate:** You are a sales driven individual with a passion for denim and retail who is motivated to sell and ensure personal sales budgets are maintained
- **Collaborative:** You are a positive person who thrives in a fast paced, dynamic team environment
- **Accountable:** You effectively meet the customer’s needs by establishing relationships and taking responsibility for customer satisfaction to close sales
- **Innovative:** You take initiative to do things better

Qualifications:

- Experience in retail clothing sales.
- Education: high school or equivalent
- Other qualifications: excellent communication skills, service-oriented, team player.

**Your Career @ JM:**

The Jean Machine family is a group of talented and driven individuals who love what they do- Selling denim! Our success in the Canadian retail community for over 30 years has been based on our core belief in superior customer service. Jean Machine believes in offering our employees opportunities for professional growth, skill development and career advancement in a relaxed and fun working environment. *Jean Machine is an Equal Opportunity Employer*

Employee Signature: _____ **Date:** _____



Date:

Private and Confidential

Name:
Address:

Dear _____

Congratulations, we are pleased to extend you an offer of employment with Jean Machine. Below you will find a summary of the offer.

Position: Full Time Sales Floor Leader

Location: _____

Reporting Relationship: You will report to the Store Manager

Start Date: _____

Salary: Your rate of remuneration will be \$10.25 per hour with 2% commission on weekly personal sales (minimum hourly rate of \$11.40 applies). Please note that commissions are paid 2 weeks after the date in which they were earned.

Vacation: You are entitled to two (2) weeks of vacation per year, with vacation pay accruing at a rate of 4% per week.

Benefits: You will be eligible to participate in the Employee Benefit Plan after 6 months of full-time employment, at which time you will receive a basic benefits package. When you have achieved 18 months of full time service with us, you will be graduated to a premium benefits plan. Both plans are fully paid by the Company and are at no cost to you.

Exclusivity: During the term of your employment, you will be bound to deliver full-time professional services only to Jean Machine and its affiliated companies, and you may not render services to any other company, even if non-competing.

You also agree that in the 12 months following the termination of your employment with the Company for any reason, you shall not, directly or indirectly, individually or in partnership or jointly or in conjunction with any other person, whether as an employee, owner, partner, shareholder, officer, director, member, advisor, consultant, agent or otherwise, solicit or attempt to solicit any employee, consultant, independent contractor or agent of the Company with whom you have had contact in the 24 months preceding the termination of your employment, to terminate or alter in a manner that is detrimental to the Company, his, her or its relationship with the Company.

The Company will be entitled to any injunction and/or specific enforcement of the terms hereof in addition to any other remedy to which it may be entitled, at law or in equity, in respect of any breach or threatened breach of this Agreement.

Confidentiality: As a condition of your employment, you will keep all Company information confidential.



Notice & Termination:

The first ninety days of employment represent a probationary period, during which either you or we may terminate your employment for any reason without notice and without the payment of any further monies. After such time, you agree to provide two (2) weeks' advance written notice of resignation if you decide to terminate your employment with MRP Retail.

You understand and acknowledge that, following the probationary period, MRP Retail may terminate your employment at any time with or without cause. If MRP Retail terminates your employment with just cause, it may do so without advance notice. If the Company terminates your employment without cause, its obligations to you in respect of notice of termination, pay in lieu of such notice, severance pay, continuation of benefits and any other entitlement of any description whatever shall be solely and exclusively, but fully and completely, as required by the Employment Standards Act, 2000, as amended from time to time. You agree that such notice or payment as required by the Employment Standards Act, 2000, as amended, shall satisfy all of MRP Retail's obligations in relation to the termination of your employment and shall be accepted and received by you in lieu of any other notice, pay in lieu of notice, termination pay, severance pay, claim or cause of action for wrongful dismissal damages.

You understand and agree that, unless otherwise agreed in writing, the provisions of this letter agreement shall remain in effect regardless of any job change or new job assignment that you undertake within MRP Retail.

Invalidation or unenforceability of any provisions herein shall in no way affect any other provision herein; such other provision(s) shall remain in full force and effect. Any invalid or unenforceable provision shall be replaced by that legally valid provision that most closely effectuates the effect of the invalid provision.

After reviewing the offer as stated herein, if you agree to all of its terms, please sign the enclosed copy and **return it to myself no later than 3 days from today's date**. If you are uncertain about the contents of this agreement, we suggest that you take this time to consult with independent legal counsel prior to signing. This letter, which constitutes a contract, may be changed, amended or modified only by written agreement endorsed herein and signed by both you and the Company. Please retain a copy for your personal records.

We look forward to a mutually beneficial working relationship. Again, congratulations and good luck!

Sincerely,
Jean Machine

Store Manager

Agreed and accepted _____
(Name)

this _____ day of _____, 2017.

Social Insurance Number: _____

Date of Birth: _____ / _____ / _____
DAY MONTH YEAR

Gender Male [] Female []

Please attach a void cheque or direct deposit form from your bank



Sales Floor Leader

At Jean Machine, our vision is to be the first choice for high quality jeans and casual fashion in every market we serve. If you have a passion for denim, if you have your finger on the fashion pulse, and you are ready to start your career in retail management then we want you to be a part of our management team. In this position you will work closely with Store Management and Sales Associates ensure the highest level of customers service is provided at all levels of the store including: sales floor, fitting rooms, and cash. This is a junior supervisory role within the store where you will be responsible for opening and closing procedures and be a part of the sales leadership team.

Reports to: Store Manager

Key Job Function and Accountabilities

- Lead by example and act as the Team Leader in the Store Manager's/Assistant Manager's absence
- Open and Close the store as required
- Promote total customer service in a friendly way and as the most important consideration in every transaction
- Provide highest level of customer service utilizing the "Steps of Selling"
- Responsible for personal budgets and maximization of sales in compliance with company policies
- Prioritize, plan and organize courses of action for self and others to ensure that work is completed efficiently
- Maintain open communication with the Store Manager
- Under direction of the Store Manager, keep records of associate sales performance
- Partake in developing the sales team to take on roles of higher responsibility
- Provide positive feedback and recognition to associates for a job well done
- Address poor performance and recommend corrective action to the manager when necessary
- Maintain neat, organized and well stocked sales floor
- Develop and maintain product knowledge
- Ensure merchandise is properly ticketed and attractively displayed
- Ensure special order, recalls and transfers are handled efficiently
- Responsible for adherence to all loss prevention, security policies and credit policies and procedures
- Responsible for accuracy of P.O.S transactions
- Ability to read reports and follow detailed directives
- Experience and understanding of visual merchandizing directives
- Conform to the company's dress code and presents an image that is consistent with the Jean Machine brand
- Able to use a ladder and lift boxes containing product between 1-30lbs
- Able to work Holidays, weekends, evenings and some overnight shifts as necessary

Our Values

- **Passionate:** You are a sales driven individual with a passion for denim and retail who is motivated to sell and ensure personal sales budgets are maintained
- **Collaborative:** You are a positive person who thrives in a fast paced, dynamic team environment
- **Accountable:** You effectively meet the customer's needs by establishing relationships and taking responsibility for customer satisfaction to close sales
- **Innovative:** You take initiative to do things better

Working Conditions:

Able to use a ladder and lift boxes between 1-30lbs

Available to work nights, weekends, Holiday's and some overnight shifts as needed



Your Career @ JM:

The Jean Machine family is a group of talented and driven individuals who love what they do- Selling denim! Our success in the Canadian retail community for over 30 years has been based on our core belief in superior customer service. Jean Machine believes in offering our employees opportunities for professional growth, skill development and career advancement in a relaxed and fun working environment. *Jean Machine is an Equal Opportunity Employer*

Employee Signature: _____ **Date:** _____



135 Sparks Avenue Scarborough ON M2H 2S5
Phone: 416-498-6601 Fax: 416-494-8467

Date: _____

Private and Confidential

Name:
Address:

Dear _____,

Congratulations, we are pleased to extend you an offer of employment with Jean Machine. Below you will find a summary of the offer.

Position: Part Time Sales Associate

Location: _____

Reporting Relationship: You will report to the Store Manager

Start Date: _____

Salary: Your rate of remuneration will be \$10.25 per hour with 1% commissions on weekly personal sales (minimum hourly rate of \$11.40 applies).

Vacation: You are entitled to two (2) weeks of vacation per year, with vacation pay accruing at a rate of 4% per week.

Exclusivity: During the term of your employment, you will be bound to deliver professional services only to Jean Machine and its affiliated companies, and you may not render services to any competing company.

You also agree that in the 12 months following the termination of your employment with the Company for any reason, you shall not, directly or indirectly, individually or in partnership or jointly or in conjunction with any other person, whether as an employee, owner, partner, shareholder, officer, director, member, advisor, consultant, agent or otherwise, solicit or attempt to solicit any employee, consultant, independent contractor or agent of the Company with whom you have had contact in the 24 months preceding the termination of your employment, to terminate or alter in a manner that is detrimental to the Company, his, her or its relationship with the Company.

The Company will be entitled to any injunction and/or specific enforcement of the terms hereof in addition to any other remedy to which it may be entitled, at law or in equity, in respect of any breach or threatened breach of this Agreement.

Confidentiality: As a condition of your employment, you will keep all Company information confidential.



Notice & Termination:

The first ninety days of employment represent a probationary period, during which either you or we may terminate your employment for any reason without notice and without the payment of any further monies. After such time, we would require a minimum of two weeks notice, should you choose to resign.

Following the probationary period, in the event that it becomes necessary to terminate your employment without cause the Company will provide you with such notice (or payment in lieu of notice) or severance pay that may be required to meet the requirements of the Employment Standards Act, 2000, as amended. You understand and agree that the Company has no obligation to make any additional payments to you or to provide you with any additional notice upon termination. You also understand and agree that the Company would not have entered into this agreement if it were required to provide notice in excess of the Employment Standards Act, 2000.

The Company may terminate your employment without notice where just cause exists for the dismissal.

Invalidation or unenforceability of any provisions herein shall in no way affect any other provision herein; such other provision(s) shall remain in full force and effect. Any invalid or unenforceable provision shall be replaced by that legally valid provision that most closely effectuates the effect of the invalid provision.

After reviewing the offer as stated, herein, if you agree to all of its terms, please sign the enclosed copy and **return it to myself no later than 3 days from today's date**. This letter, which constitutes a contract, may be changed, amended or modified only by written agreement endorsed herein and signed by both you and the Company. The second copy is for your personal records.

I look forward to a mutually beneficial working relationship. Again, congratulations and good luck!

Store Manager
Jean Machine

Agreed and accepted _____
(employee)

this ___ day of _____, 2017.

Social Insurance Number: _____

Date of Birth: _____ / _____ / _____
DAY MONTH YEAR

Gender Male [] Female []

Please attach a void cheque



Sales Associate

At Jean Machine, our vision is to be the first choice for high quality jeans and casual fashion in every market we serve. If you have a passion for denim, and you have your finger on the fashion pulse, then we want you to join the Jean Machine team. The ideal candidate will have previous retail experience.

In this position you will work closely with Store Management and other sales associates to ensure the highest level of customer service in all areas including sales floor, fitting rooms, and cash.

Reports to: Store Manager

Key Job Function and Accountabilities

- Promote total customer service in friendly way and as the most important consideration in every transaction
- Provide highest level of customer service utilizing the “Steps of Selling”
- Responsible for personal budgets and maximization of sales in compliance with company policies
- Develop and maintain product knowledge
- Maintain a neat, organized and well stocked sales floor
- Ensure merchandise is properly ticketed and attractively displayed
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- Responsible for accuracy of P.O.S transactions
- Communicate stock replenishment needs to Store Manager
- Ensure special order, recalls and transfers are handled efficiently
- Comply with all Jean Machine store policies and procedures
- Conform to the company’s dress code and presents an image that is consistent with the Jean Machine brand
- Acts as a shadow partner to new team members as requested
- Able to use a ladder and lift boxes containing product between 1-30lbs
- Able to work Holidays, weekends, evenings and some overnight shifts as necessary
- Perform other duties as assigned by the Management Team

Our Values:

- **Passionate:** You are a sales driven individual with a passion for denim and retail who is motivated to sell and ensure personal sales budgets are maintained
- **Collaborative:** You are a positive person who thrives in a fast paced, dynamic team environment
- **Accountable:** You effectively meet the customer’s needs by establishing relationships and taking responsibility for customer satisfaction to close sales
- **Innovative:** You take initiative to do things better

Working Conditions:

- Able to use a ladder and lift boxes between 1-30lbs
- Available to work nights, weekends, Holiday’s and some overnight shifts as needed

Your Career @ JM:

The Jean Machine family is a group of talented and driven individuals who love what they do- Selling denim! Our success in the Canadian retail community for over 30 years has been based on our core belief in superior customer service. Jean Machine believes in offering our employees opportunities for professional growth, skill development and career advancement in a relaxed and fun working environment. *Jean Machine is an Equal Opportunity Employer*

Employee Signature: _____ **Date:** _____



135 Sparks Avenue Scarborough ON M2H 2S5
Phone: 416-498-6601 Fax: 416-494-8467

Date: _____

Private and Confidential

Name:
Address:

Dear _____,

Congratulations, we are pleased to extend you an offer of employment with Jean Machine. Below you will find a summary of the offer.

Position: Part Time Sales Associate

Location: _____

Reporting Relationship: You will report to the Store Manager

Start Date: _____

Salary: Your rate of remuneration will be \$9.60 per hour with 1% commissions on weekly personal sales (minimum hourly rate of \$10.70 applies). After your 18th birthday, your rate of remuneration will be \$10.25 per hour with 1% commissions on weekly personal sales (minimum hourly rate of \$11.40 applies).

Vacation: You are entitled to two (2) weeks of vacation per year, with vacation pay accruing at a rate of 4% per week.

Exclusivity: During the term of your employment, you will be bound to deliver professional services only to Jean Machine and its affiliated companies, and you may not render services to any competing company.

You also agree that in the 12 months following the termination of your employment with the Company for any reason, you shall not, directly or indirectly, individually or in partnership or jointly or in conjunction with any other person, whether as an employee, owner, partner, shareholder, officer, director, member, advisor, consultant, agent or otherwise, solicit or attempt to solicit any employee, consultant, independent contractor or agent of the Company with whom you have had contact in the 24 months preceding the termination of your employment, to terminate or alter in a manner that is detrimental to the Company, his, her or its relationship with the Company.

The Company will be entitled to any injunction and/or specific enforcement of the terms hereof in addition to any other remedy to which it may be entitled, at law or in equity, in respect of any breach or threatened breach of this Agreement.

Confidentiality:

As a condition of your employment, you will keep all Company information confidential.

Notice & Termination:

The first ninety days of employment represent a probationary period, during which either you or we may terminate your employment for any reason without notice and without the payment of any further monies. After such time, we would require a minimum of two weeks notice, should you choose to resign.

Following the probationary period, in the event that it becomes necessary to terminate your employment without cause the Company will provide you with such notice (or payment in lieu of notice) or severance pay that may be required to meet the requirements of the Employment Standards Act, 2000, as amended. You understand and agree that the Company has no obligation to make any additional payments to you or to provide you with any additional notice upon termination. You also understand and agree that the Company would not have entered into this agreement if it were required to provide notice in excess of the Employment Standards Act, 2000.

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I look forward to a mutually beneficial working relationship. Again, congratulations and good luck!

Store Manager
Jean Machine

Agreed and accepted _____
(employee)

this ___ day of _____, 2017.

Social Insurance Number: _____

Date of Birth: _____ / _____ / _____
DAY MONTH YEAR

Gender Male [] Female []

Please attach a void cheque



Sales Associate

At Jean Machine, our vision is to be the first choice for high quality jeans and casual fashion in every market we serve. If you have a passion for denim, and you have your finger on the fashion pulse, then we want you to join the Jean Machine team. The ideal candidate will have previous retail experience.

In this position you will work closely with Store Management and other sales associates to ensure the highest level of customer service in all areas including sales floor, fitting rooms, and cash.

Reports to: Store Manager

Key Job Function and Accountabilities

- Promote total customer service in friendly way and as the most important consideration in every transaction
- Provide highest level of customer service utilizing the “Steps of Selling”
- Responsible for personal budgets and maximization of sales in compliance with company policies
- Develop and maintain product knowledge
- Maintain a neat, organized and well stocked sales floor
- Ensure merchandise is properly ticketed and attractively displayed
- Responsible for adherence to all loss prevention, security policies and credit policies and procedures
- Responsible for accuracy of P.O.S transactions
- Communicate stock replenishment needs to Store Manager
- Ensure special order, recalls and transfers are handled efficiently
- Comply with all Jean Machine store policies and procedures
- Conform to the company’s dress code and presents an image that is consistent with the Jean Machine brand
- Acts as a shadow partner to new team members as requested
- Able to use a ladder and lift boxes containing product between 1-30lbs
- Able to work Holidays, weekends, evenings and some overnight shifts as necessary
- Perform other duties as assigned by the Management Team

Our Values:

- **Passionate:** You are a sales driven individual with a passion for denim and retail who is motivated to sell and ensure personal sales budgets are maintained
- **Collaborative:** You are a positive person who thrives in a fast paced, dynamic team environment
- **Accountable:** You effectively meet the customer’s needs by establishing relationships and taking responsibility for customer satisfaction to close sales
- **Innovative:** You take initiative to do things better

Working Conditions:

- Able to use a ladder and lift boxes between 1-30lbs
- Available to work nights, weekends, Holiday’s and some overnight shifts as needed

Your Career @ JM:

The Jean Machine family is a group of talented and driven individuals who love what they do- Selling denim! Our success in the Canadian retail community for over 30 years has been based on our core belief in superior customer service. Jean Machine believes in offering our employees opportunities for professional growth, skill development and career advancement in a relaxed and fun working environment. *Jean Machine is an Equal Opportunity Employer*

Employee Signature: _____ **Date:** _____



135 Sparks Avenue Scarborough ON M2H 2S5
Phone: 416-498-6601 Fax: 416-494-8467

Date: _____

Private and Confidential

Name:
Address:

Dear _____,

Congratulations, we are pleased to extend you an offer of employment with Jean Machine. Below you will find a summary of the offer.

Position: Part Time Sales Floor Leader

Location: _____

Reporting Relationship: You will report to the Store Manager

Start Date: _____

Salary: Your rate of remuneration will be \$10.25 per hour with 2% commission on weekly personal sales (minimum hourly rate of \$11.40 applies).

Vacation: You are entitled to two (2) weeks of vacation per year, with vacation pay accruing at a rate of 4% per week.

Exclusivity: During the term of your employment, you will be bound to deliver professional services only to Jean Machine and its affiliated companies, and you may not render services to any competing company.

You also agree that in the 12 months following the termination of your employment with the Company for any reason, you shall not, directly or indirectly, individually or in partnership or jointly or in conjunction with any other person, whether as an employee, owner, partner, shareholder, officer, director, member, advisor, consultant, agent or otherwise, solicit or attempt to solicit any employee, consultant, independent contractor or agent of the Company with whom you have had contact in the 24 months preceding the termination of your employment, to terminate or alter in a manner that is detrimental to the Company, his, her or its relationship with the Company.

The Company will be entitled to any injunction and/or specific enforcement of the terms hereof in addition to any other remedy to which it may be entitled, at law or in equity, in respect of any breach or threatened breach of this Agreement.

Confidentiality: As a condition of your employment, you will keep all Company information confidential.

Notice & Termination: The first ninety days of employment represent a probationary period, during which either you or we may terminate your employment for any



reason without notice and without the payment of any further monies. After such time, we would require a minimum of two weeks notice, should you choose to resign.

Following the probationary period, in the event that it becomes necessary to terminate your employment without cause the Company will provide you with such notice (or payment in lieu of notice) or severance pay that may be required to meet the requirements of the Employment Standards Act, 2000, as amended. You understand and agree that the Company has no obligation to make any additional payments to you or to provide you with any additional notice upon termination. You also understand and agree that the Company would not have entered into this agreement if it were required to provide notice in excess of the Employment Standards Act, 2000.

The Company may terminate your employment without notice where just cause exists for the dismissal.

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After reviewing the offer as stated, herein, if you agree to all of its terms, please sign the enclosed copy and **return it to myself no later than 3 days from today's date**. This letter, which constitutes a contract, may be changed, amended or modified only by written agreement endorsed herein and signed by both you and the Company. The second copy is for your personal records.

We look forward to a mutually beneficial working relationship. Again, congratulations and good luck!

Sincerely,

Store Manager
Jean Machine

Agreed and accepted _____
employee

this ___ day of _____, 2017.

Social Insurance Number: _____

Date of Birth: _____ / _____ / _____
DAY MONTH YEAR

Gender Male [] Female []

Please attach a void cheque



Sales Floor Leader

At Jean Machine, our vision is to be the first choice for high quality jeans and casual fashion in every market we serve. If you have a passion for denim, if you have your finger on the fashion pulse, and you are ready to start your career in retail management then we want you to be a part of our management team. In this position you will work closely with Store Management and Sales Associates ensure the highest level of customers service is provided at all levels of the store including: sales floor, fitting rooms, and cash. This is a junior supervisory role within the store where you will be responsible for opening and closing procedures and be a part of the sales leadership team.

Reports to: Store Manager

Key Job Function and Accountabilities

- Lead by example and act as the Team Leader in the Store Manager's/Assistant Manager's absence
- Open and Close the store as required
- Promote total customer service in a friendly way and as the most important consideration in every transaction
- Provide highest level of customer service utilizing the "Steps of Selling"
- Responsible for personal budgets and maximization of sales in compliance with company policies
- Prioritize, plan and organize courses of action for self and others to ensure that work is completed efficiently
- Maintain open communication with the Store Manager
- Under direction of the Store Manager, keep records of associate sales performance
- Partake in developing the sales team to take on roles of higher responsibility
- Provide positive feedback and recognition to associates for a job well done
- Address poor performance and recommend corrective action to the manager when necessary
- Maintain neat, organized and well stocked sales floor
- Develop and maintain product knowledge
- Ensure merchandise is properly ticketed and attractively displayed
- Ensure special order, recalls and transfers are handled efficiently
- Responsible for adherence to all loss prevention, security policies and credit policies and procedures
- Responsible for accuracy of P.O.S transactions
- Ability to read reports and follow detailed directives
- Experience and understanding of visual merchandizing directives
- Conform to the company's dress code and presents an image that is consistent with the Jean Machine brand
- Able to use a ladder and lift boxes containing product between 1-30lbs
- Able to work Holidays, weekends, evenings and some overnight shifts as necessary

Our Values

- **Passionate:** You are a sales driven individual with a passion for denim and retail who is motivated to sell and ensure personal sales budgets are maintained
- **Collaborative:** You are a positive person who thrives in a fast paced, dynamic team environment
- **Accountable:** You effectively meet the customer's needs by establishing relationships and taking responsibility for customer satisfaction to close sales
- **Innovative:** You take initiative to do things better

Qualifications:

Minimum 1 year of full time retail clothing sales

Education: high school or equivalent

Other qualifications: excellent communication skills, service-oriented, team player.

**Your Career @ JM:**

The Jean Machine family is a group of talented and driven individuals who love what they do- Selling denim! Our success in the Canadian retail community for over 30 years has been based on our core belief in superior customer service. Jean Machine believes in offering our employees opportunities for professional growth, skill development and career advancement in a relaxed and fun working environment. *Jean Machine is an Equal Opportunity Employer*

Employee Signature: _____ **Date:** _____



135 Sparks Avenue Scarborough ON M2H 2S5 2P3
Phone: 416-498-6601 Fax: 416-494-8467

Personal and Confidential

Date _____
Employee Name: _____
Address: _____

Congratulations, we are pleased to offer you a temporary contract of employment with Jean Machine. Below you will find a summary of the offer.

Position: Seasonal Sales Associate
Location: _____
Reporting Relationship: You will report directly to _____, Store Manager
Start Date and Contract End Date: _____ to January 14, 2017.
Salary: Your rate of remuneration will be \$11.40/hour.
Service: You agree to follow all company policies and procedures and provide service to the company to the best of your ability on a temporary basis.
Notice & Termination: You can resign anytime. Likewise, the company can terminate the agreement at any time.

Invalidation or unenforceability of any provisions herein shall in no way affect any other provision herein; such other provision(s) shall remain in full force and effect. Any invalid or unenforceable provision shall be replaced by that legally valid provision that most closely effectuates the effect of the invalid provision.

After reviewing the offer as stated herein, if you agree to all of its terms, please sign the enclosed copy and return it to myself within three (3) business days. The second copy is for your personal records.

We look forward to a mutually beneficial working relationship. Again, congratulations and good luck!

Sincerely,

Store Manager Jean Machine

Agreed and accepted _____
employee

this ___ day of _____, 2016

Social Insurance Number: _____

Date of Birth: _____ / _____ / _____

Gender DAY MONTH YEAR
Male [] Female []



135 Sparks Avenue Scarborough ON M2H 2S52P3
Phone: 416-498-6601 Fax: 416-494-8467

Personal and Confidential

Date _____
Employee Name: _____
Address: _____

Congratulations, we are pleased to offer you a temporary contract of employment with Jean Machine. Below you will find a summary of the offer.

Position: Seasonal Sales Associate
Location: _____
Reporting Relationship: You will report directly to _____, Store Manager
Term: _____ to January 14th 2017.
Salary: Your rate of remuneration will be \$10.70/hour. If your 18th birthday occurs during the term of this contract, your rate of remuneration will increase to \$11.40 at that time.
Service: You agree to follow all company policies and procedures and provide service to the company to the best of your ability on a temporary basis.
Notice & Termination: You can resign anytime. Likewise, the company can terminate the agreement at any time.

Invalidation or unenforceability of any provisions herein shall in no way affect any other provision herein; such other provision(s) shall remain in full force and effect. Any invalid or unenforceable provision shall be replaced by that legally valid provision that most closely effectuates the effect of the invalid provision.

After reviewing the offer as stated herein, if you agree to all of its terms, please sign the enclosed copy and return it to *within three (3) business days*. The second copy is for your personal records.

We look forward to a mutually beneficial working relationship. Again, congratulations and good luck!

Sincerely,

Store Manager Jean Machine

Agreed and accepted _____
employee

this ___ day of _____, 2016.

Social Insurance Number: _____

Date of Birth: _____ / _____ / _____
DAY MONTH YEAR
Gender Male [] Female []



135 Sparks Avenue Scarborough ON M2H 2S5
Phone: 416-498-6601 Fax: 416-494-8467

date

name
address

Private and Confidential

Dear _____,

Congratulations, we are pleased to extend you an offer of employment with Jean Machine. Below you will find a summary of the offer.

Position: Store Manager

Location: Jean Machine: _____, ON

Reporting Relationship: You will report to _____, District Manager

Start Date: _____

Service: You agree to follow all company policies and procedures and provide service to the company to the best of your ability on a full-time basis. Full-time salaried managers are expected to work 42 hours per week but may be asked to work up to 44 hours. Salaried managers working less than 40 hours in a week, must account for time off using vacation, sick time, or some other form or paid or unpaid time off.

Salary: Your rate of remuneration will be \$_____ per week with a commission entitlement of _____% on weekly store sales. Please note that commissions are paid two weeks after the week in which they were earned.

Vacation: You are entitled to two (2) weeks of vacation per year, with vacation pay accruing at a rate of 4% per week.

Benefits: You will be eligible to participate in the Employee Benefit Plan after 6 months of full-time employment, at which time you will receive a basic benefits package. When you have achieved 18 months of full time service with us, you will be graduated to a premium benefits plan. Both plans are fully paid by the Company and are of no cost to you.

Exclusivity: During the term of your employment, you will be bound to deliver professional services only to Jean Machine and its affiliated companies, and you may not render services to any other company, even if non-competing. You also agree that in the 12 months following the termination of your employment with the Company for any reason, you shall not, directly or indirectly, individually or in partnership or jointly or in conjunction with any other person, whether as an employee, owner, partner, shareholder, officer, director, member, advisor, consultant, agent or otherwise, solicit or attempt to solicit any employee, consultant, independent contractor or agent of the Company with whom you have had contact in the 24 months preceding the termination of your employment, to terminate or alter in a manner that is detrimental to the Company, his, her or its relationship with the Company.

The Company will be entitled to any injunction and/or specific enforcement of the terms hereof in addition to any other remedy to which it may be entitled, at law or in equity, in respect of any breach or threatened breach of this Agreement.

Confidentiality: As a condition of your employment, you will keep all Company information confidential.

Notice & Termination: The first ninety days of employment represent a probationary period, during which either you or we may terminate your employment for any reason without notice and without the payment of any further monies. After such time, you agree to provide two (2) weeks' advance written notice of resignation if you decide to terminate your employment with MRP Retail.

You understand and acknowledge that, following the probationary period, MRP Retail may terminate your employment at any time with or without cause. If MRP Retail terminates your employment with just cause, it may do so without advance notice. If the Company terminates your employment without cause, its obligations to you in respect of notice of termination, pay in lieu of such notice, severance pay, continuation of benefits and any other entitlement of any description whatever shall be solely and exclusively, but fully and completely, as required by the Employment Standards Act, 2000, as amended from time to time. You agree that such notice or payment as required by the Employment Standards Act, 2000, as amended, shall satisfy all of MRP Retail's obligations in relation to the termination of your employment and shall be accepted and received by you in lieu of any other notice, pay in lieu of notice, termination pay, severance pay, claim or cause of action for wrongful dismissal damages.

You understand and agree that, unless otherwise agreed in writing, the provisions of this letter agreement shall remain in effect regardless of any job change or new job assignment that you undertake within MRP Retail.

Invalidation or unenforceability of any provisions herein shall in no way affect any other provision herein; such other provision(s) shall remain in full force and effect. Any invalid or unenforceable provision shall be replaced by that legally valid provision that most closely effectuates the effect of the invalid provision.

After reviewing the offer as stated herein, if you agree to all of its terms, please sign the enclosed copy and return it to me *within three (3) business days*. If you are uncertain about the contents of this agreement, we suggest that you take this time to consult with independent legal counsel prior to signing. This letter, which constitutes a contract, may be changed, amended or modified only by written agreement endorsed herein and signed by both you and the Company. Please retain a copy for your personal records.

We look forward to a mutually beneficial working relationship. Again, congratulations and good luck!

Sincerely,
Jean Machine

District Manager

Agreed and accepted _____
employee

this ___ day of _____, 2017.

Social Insurance Number: _____

Date of Birth: _____ / _____ / _____
DAY MONTH YEAR

Gender Male [] Female []



CONFIDENTIAL INFORMATION AGREEMENT

FOR EMPLOYEE

This CONFIDENTIAL INFORMATION ASSIGNMENT AGREEMENT (the "Agreement") is made between Jean Machine (the "Company") and the undersigned employee.

In consideration of my employment with the Company (which for purposes of this Agreement shall be deemed to include any subsidiaries or Affiliates* of the Company), the receipt of confidential information while associated with the Company, and other good and valuable consideration, I, the undersigned individual, agree that:

- 1) **Term of Agreement.** This Agreement shall continue in full force and effect for the duration of my employment by the Company (the "Period of Employment") and shall continue thereafter as otherwise provided in this Agreement.
- 2) **Confidentiality.**
 - a) **Definitions.** "Proprietary Information" is all information and any idea whatever form, tangible or intangible, pertaining in any manner to the business of the Company, or any of its Affiliates, or its employees, clients, consultants, or business associates, which was produced by any employee of the Company in the course of his or her employment or otherwise produced or acquired by or on behalf of the Company. All Proprietary Information not generally known outside of the Company's organization, and all Proprietary Information so known only through improper means, shall be deemed "Confidential Information." By example and without limiting the foregoing definition, Proprietary and Confidential Information shall include, but not be limited to:
 - i) research and development techniques, processes, trade secrets, computer programs, software, electronic codes, improvements, data, know-how, test results, and research projects;
 - ii) information about costs, profits, markets, sales, contracts and lists of customers, and distributors;
 - iii) business, marketing, and strategic plans and;
 - iv) forecasts, unpublished financial information, budgets, projections, and customer identities, characteristics and agreements; and

Confidential Information is to be broadly defined, and includes all information that has or could have commercial value or other utility in the business in which the Company is engaged or contemplates engaging, and all information of which the unauthorized disclosure could be detrimental to the interests of the Company, whether or not such information is identified as Confidential Information by the Company.
 - b) **Existence of Confidential Information.** The Company owns and has developed and compiled, and will develop and compile, certain trade secrets, proprietary techniques and other Confidential Information which have great value to its business. This Confidential Information includes not only information disclosed by the Company to me, but also information developed or learned by me during the course of my employment with the Company.
 - c) **Protection of Confidential Information.** I will not, directly or indirectly, use, make available, sell, disclose or otherwise communicate to any third party, other than in my assigned duties and for the benefit of the Company, any of the Company's Confidential Information, either during or after my employment with the Company. I acknowledge that I am aware that the unauthorized disclosure of Confidential Information of the Company may be highly prejudicial to its interests, an invasion of privacy, and an improper disclosure of trade secrets.
 - d) **Delivery of Confidential Information.** Upon request or when my employment with the Company terminates, I will immediately deliver to the Company all copies of any and all materials and writings received from, created for, or belonging to the Company including, but not limited to, those which relate to or contain Confidential Information.
 - e) **Location and Reproduction.** I shall maintain at my work station and/or any other place under my control only such Confidential Information as I have a current "need to know." I shall return to the appropriate person or location or otherwise properly dispose of Confidential Information once that need to know no longer exists. I shall not make copies of or otherwise reproduce Confidential Information unless there is a legitimate business need of the Company for reproduction.
 - f) **Prior Actions and Knowledge.** I represent and warrant that from the time of my first contact with the Company I held in strict confidence all Confidential Information and have not disclosed any Confidential Information, directly or indirectly, to anyone outside the Company, or used, copied, published, or summarized any Confidential information, except to the extent otherwise permitted in this Agreement.
 - g) **Third-Party Information.** I acknowledge that the Company has received and in the future will receive from third parties their confidential information subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. I agree that, during the Period of Employment and thereafter, I will hold all such confidential information in the strictest confidence and not to disclose or use it, except as necessary to perform my obligations hereunder and as is consistent with the Company's agreement with such third parties.
- 3) **Competitive Activity.**
 - a) **Acknowledgement.** I acknowledge that the pursuit of the activities forbidden by Section 4(b) below would necessarily involve the use, disclosure or misappropriation of Confidential Information.
 - b) **Prohibited Activity.** To prevent the above-described disclosure, misappropriation and breach, I agree that during my employment and for a period of twelve (12) months after termination of the Period of Employment, without the Company's express written consent, I shall not, directly or indirectly, (i) employ, solicit for employment, or recommend for employment any person employed by the Company (or any Affiliate); and (ii) engage in any present or contemplated business activity that is or may be competitive with the Company (or any Affiliate) in any province where the Company conducts its business, unless I can prove that any action taken in contravention of this subsection (ii) was done without the use in any way of Confidential Information.

- 4) Termination Obligations.
 - a) Upon the termination of my relationship with the Company or promptly upon the Company's request, I shall surrender to the Company all equipment, tangible Proprietary Information, documents, books, notebooks, records, reports, notes, memoranda, lists, computer disks (and other computer-generated files and data), any other data and records of any kind, and copies thereof (collectively, "Company Records"), created on any medium and furnished to, obtained by, or prepared by myself in the course of or incident to my employment, that are in my possession or under my control.
 - b) My representations, warranties, and obligations contained in this Agreement shall survive the termination of the Period of Employment.
 - c) Following any termination of the Period of Employment, I will fully cooperate with the Company in all matters relating to my continuing obligations under this Agreement.
 - d) In the event that I leave the employ of the Company I hereby grant consent to notification by the Company to my new employer about my rights and obligations under this Agreement.
 - e) Upon termination of the Period of Employment, I will execute a Certificate acknowledging compliance with this Agreement in the form reasonably provided by the Company.
- 5) Modification. No modification of this Agreement shall be valid unless made in writing and signed by both parties.
- 6) Integration. This Agreement sets forth the parties' mutual rights and obligations with respect to proprietary information, prohibited competition, and intellectual property. It is intended to be the final, complete, and exclusive statement of the terms of the parties' agreements regarding these subjects. This Agreement supersedes all other prior and contemporaneous agreements and statements on these subjects, and it may not be contradicted by evidence of any prior or contemporaneous statements or agreements. To the extent that the practices, policies, or procedures of the Company, now or in the future, apply to myself and are inconsistent with the terms of this Agreement, the provisions of this Agreement shall control unless changed in writing by the Company.
- 7) This agreement is to be construed in accordance with, and subject to, the laws of the Province of Ontario.

I have read, understand and hereby accept all terms and conditions of this agreement:

Employee

Witness

Dated: ____/____/____
DD MM YY



Store Manager

At Jean Machine, our vision is to be the first choice for high quality jeans and casual fashion in every market we serve. If you have a passion for denim, if you have your finger on the fashion pulse, if you are sales driven with high energy and you have leadership experience in the retail clothing industry, then we want you to be a part of our management team at Jean Machine.

In this role you will oversee day-to-day responsibilities for store operations. You will work closely with the District and/or Area Manager to maximize sales as well as other cross-functional partners (merchandising, store operations, and human resources). You will have overall accountability for customer service and the sales team.

Reports to: District Manager

Key Job Function and Accountabilities

Sales Generation:

- Responsible for achievement of store budgets and maximization of sales in compliance with company policies
- Promote Jean Machine brand
- Prioritize, plan and organize courses of action for self and others to ensure that work is completed efficiently
- Motivate sales staff to meet assigned sales and productivity goals
- Analyze available sales reports
- Demonstrate sales leadership for staff by playing an active role on the selling floor
- Conform to the company's dress code and present an image that is consistent with the Jean Machine brand
- Performs other duties as assigned by the District Management Team and Head Office

Customer Service

- Responsible for driving key performance indicators by delivering an exceptional customer store experience through associates
- Promote total customer service in a friendly way and as the most important consideration in every transaction
- Ensure all associates provide the highest level of customer service utilizing the "Steps of Selling"
- Resolve all client problems quickly and effectively and escalate to Management or Head Office as appropriate

Operations

- Maintain a neat, organized and well stocked sales floor
- Control store expenses and maintain budgets, continually striving to reduce costs
- Responsible for adherence to all loss prevention, security policies and credit policies and procedures
- Responsible for accuracy of P.O.S transactions
- Schedule associates to maintain adequate floor coverage while maintaining payroll budgets
- Communicate stock replenishment needs to Store Manager
- Ensure special orders handled efficiently, recalls and transfers handled efficiently
- Comply with all Jean Machine store policies and procedures
- Excellent time management skills

Merchandising/Visual

- Develops and maintains product knowledge
- Ensures that merchandise is properly ticketed and attractively displayed

- Ability to execute visual merchandising strategies

Human Resources

- Recruit, train and develop staff ensuring all positions filled in a timely manner with qualified personnel
- Support, implement and provide follow-up for all training programs
- Continually evaluate the performance of each associate and provide constant feedback to ensure results
- Resolve all human resources issues in a timely and effective manner, partnering with HR when necessary
- A catalyst leader who is able to clearly convey information and ideas in a manner that engages the audience and helps the individual or team to understand the message
- Proven experience within retail store management
- Motivated to build and grow a successful team from within as well as actively recruit sales driven individuals to continuously improve the business
- Support associates by coaching for performance and applying Jean Machine's corrective action policy when required
- Ensure compliance with current legislation, health and safety, employment standards and Human Rights
- Ensure all Store Management are aware of and practice effective employee relations at all times and that every associate is treated as per the employee relations policies

Our Values:

- **Passionate:** You are a sales driven individual with a passion for denim and retail who is motivated to sell and ensure personal sales budgets are maintained
- **Collaborative:** You are a positive person who thrives in a fast paced, dynamic team environment
- **Accountable:** You effectively meet the customer's needs by establishing relationships and taking responsibility for customer satisfaction to close sales
- **Innovative:** You take initiative to do things better

Working Conditions:

- Able to use a ladder and lift boxes between 1-30lbs
- Available to work nights, weekends, Holiday's and some overnight shifts as needed

Your Career @ JM:

The Jean Machine family is a group of talented and driven individuals who love what they do- Selling denim! Our success in the Canadian retail community for over 30 years has been based on our core belief in superior customer service. Jean Machine believes in offering our employees opportunities for professional growth, skill development and career advancement in a relaxed and fun working environment. *Jean Machine is an Equal Opportunity Employer*

Employee Signature: _____ **Date:** _____

Schedule "J" Consultants

None

Schedule "K" Leased Real Property

<i>Landlord</i>	<i>Mall/Location</i>
20 Vic Management Inc	Penn Centre
20 Vic Management Inc	Lansdowne Place
20 Vic Management Inc	Devonshire Mall
20 Vic Management Inc	Lambton Mall
Cadillac Fairview Corp	Limeridge Mall
Cadillac Fairview Corp	Markville Shopping Cntr
Cadillac Fairview Corp	Eaton Centre
Cadillac Fairview Corp	Masonville Place
Cadillac Fairview Corp	Fairview Park Mall
Cadillac Fairview Corp	Fairview Mall
Cadillac Fairview Corp	Sherway Gardens
Ivanhoe Cambridge Inc	Oshawa Centre
Ivanhoe Cambridge Inc	Conestoga Mall
Ivanhoe Cambridge Inc	Mapleview Centre
Ivanhoe Cambridge Inc	Vaughan Mills
Ivanhoe Cambridge Inc	Bayshore Shopping Cntr
Morguard Corporation	Cambridge Centre
Morguard Corporation	Bramalea City Centre
Morguard Corporation	St Laurent Shopping Cntr
Morguard Corporation	Northgate Shopping Cntr
Morguard Corporation	New Sudbury Shopping Cntr
Oxford Properties	Upper Canada Mall
Oxford Properties	Square One
Oxford Properties	Scarborough Town Centre
Primaris Management Inc	Stone Road Mall
Primaris Management Inc	Cataraqui Town Centre
Riocan Management Inc	Georgian Bay Mall
Riocan Management Inc	Oakville Place
CentreCorp Management	Lynden Park Mall
The White Oaks Group	White Oaks Mall

Schedule "L" Pension Plan

[Attached]


Manulife Financial

SIMON HECKS
 203-2295 BRISTOL CIR
 OAKVILLE, ON L6H 6P8

Date prepared: September 2, 2016

Registered Pension Plan

Policy number	71906002 MRP Retail Inc.
Plan number	1 The Pension Plan for Employees of MRP Retail Inc.
Client contact	M. Perlman, Plan Admin. 4069 Gordon Baker Road Scarborough, ON M1W 2P3 Phone: (416) 498-6601
Financial representative	SIMON HECKS 203-2295 BRISTOL CIR OAKVILLE, ON L6H 6P8 Phone: (905) 829-1105 #222 Fax: (905) 829-8567
Manulife customer service	Client Relations Central Canada Box 396 Delivery Station KC-6 Waterloo, ON N2J 4A9 Phone: 1-888-713-7788 Fax: (519) 747-6895
Manulife Internet	For information about Manulife Financial's Group Retirement Options, visit the website at www.manulife.ca/GRO



Membership Summary

September 1, 2015 to August 31, 2016

Page 1

Policy number	71906002	
	MRP Retail Inc.	
Plan number	1	
	The Pension Plan for Employees of MRP Retail Inc.	
Registration number	Federal	0424267
	Provincial	C-16411

Membership activity

New enrolments			0
Exits:	Retirements	0	
	Deaths	0	
	Terminated members with no money remaining	0	
	Cancelled memberships	0	
	Inactive members with money remaining	0	0

Province of employment

Active members

Province *	Male	Female	Total
Ontario	1	1	2

more ...

Province of employment

Inactive members

Province *	Male	Female	Total
Ontario	1	0	1
Total members (active and inactive)	2	1	3

* Entitlement jurisdiction at the statement printing date.



Member Account Summary

September 1, 2015 to August 31, 2016

Page 1

Policy number 71906002
MRP Retail Inc.

Plan number 1
The Pension Plan for Employees of MRP Retail Inc.

Summary of accounts

	Contribution * Category	Contributions for the Period	Total Account Balance	Foreign Content Percent	Vesting Percent
106165207	A Sponsor required	3,500.00	69,721.25	19.8%	100.0%
1	A Sponsor required	3,500.00	355,859.94	29.6%	100.0%
	I Sponsor required	0.00	15,699.88	0.0%	n/a

* Member status at the statement ending date: S - Startup, A - Active, I - Inactive, T - Terminated

Your foreign content in this plan is calculated based on the purchase price of the foreign investments, and not on their value today.

There is currently no limit on the amount of foreign content you may hold in your plan. The federal government has announced plans to change the rules but the effective date is unknown at this time. Manulife encourages its customers to consider limiting their foreign content to 30% of their total investments in anticipation of the changes.



Financial Report Summary

September 1, 2015 to August 31, 2016

Page 1

Policy number 71906002
MRP Retail Inc.

Plan number 1
The Pension Plan for Employees of MRP Retail Inc.

Summary of accounts

Allocated Accounts	Account Balance	Percent of Total
Sponsor required	441,281.07	100.0%
Other Accounts		
Charge account	32.00	

Foreign content

Your Current Foreign Content Percentage is: 26.9%

Your foreign content in this plan is calculated based on the purchase price of the foreign investments, and not on their value today.

There is currently no limit on the amount of foreign content you may hold in your plan. The federal government has announced plans to change the rules but the effective date is unknown at this time. Manulife encourages its customers to consider limiting their foreign content to 30% of their total investments in anticipation of the changes.

more ...

Contribution summary

Account	For the Period	Total Contributions
Sponsor required	January 1, 2016 to August 31, 2016	7,000.00

Summary of allocated accounts

This section combines details for the following accounts
Sponsor required

Transaction summary for the report period

Description	Amount
Opening Balance (Sep 1, 2015)	411,232.27
Contribution (includes \$ 0.05 interest)	7,000.05
Savings bonus	1,020.65
Investment Gain / Loss	<u>22,028.10</u>
Closing Balance (Aug 31, 2016)	441,281.07

Investment summary as of the report end date

Investments	Number of Units	Unit Price	Amount	Percent of Total
Asset Allocation				
2001 - ML Conservative AA f2	8,525.13120	17.902	152,618.10	34.5%
2002 - ML Moderate AA f2	753.14691	19.100	14,385.72	3.3%
2003 - ML Balanced AA f2	729.42000	21.523	<u>15,699.88</u>	<u>3.6%</u>
<i>Subtotal</i>			182,703.70	41.4%
Fixed Income				
4192 - ML Fixed Income Plus (AB) I6	554.97466	14.078	7,813.23	1.8%

more ...



Financial Report Summary

September 1, 2015 to August 31, 2016

Policy 71906002, Plan 1

Page 3

Investment summary as of the report end date

Investments		Number of Units	Unit Price	Amount	Percent of Total
Fixed Income					
4271 - ML PH&N Bond Fund	c3	5,377.69607	17.160	<u>92,285.14</u>	<u>20.9%</u>
	<i>Subtotal</i>			100,098.37	22.7%
US Large Cap Eqty					
8132 - ML MAM U.S. Large Cap Core	f1	5,177.19708	17.989	93,133.17	21.1%
8322 - ML BR U.S. Equity Index	b5	3,247.74979	20.120	<u>65,345.83</u>	<u>14.8%</u>
	<i>Subtotal</i>			158,479.00	35.9%
Investments Total				441,281.07	100.0%

Investment Details

Asset Allocation

2001 - ML Conservative AA f2

Description	Number of Units	Unit Price	Amount
Opening Balance (Sep 1, 2015)	8,300.98928	17.233	143,050.95
Contribution (includes \$ 0.03 interest)	202.87066		3,500.03
Savings bonus	21.27126		368.46
Investment Gain / Loss			<u>5,698.66</u>
Closing Balance (Aug 31, 2016)	8,525.13120	17.902	152,618.10

more ...

2002 - ML Moderate AA f2

Description	Number of Units	Unit Price	Amount
Opening Balance (Sep 1, 2015)	751.25153	18.318	13,761.49
Savings bonus	1.89538		34.85
Investment Gain / Loss			<u>589.38</u>
Closing Balance (Aug 31, 2016)	753.14691	19.100	<u>14,385.72</u>

2003 - ML Balanced AA f2

Description	Number of Units	Unit Price	Amount
Opening Balance (Sep 1, 2015)	729.42000	20.563	14,999.72
Investment Gain / Loss			<u>700.16</u>
Closing Balance (Aug 31, 2016)	729.42000	21.523	<u>15,699.88</u>

Fixed Income

4192 - ML Fixed Income Plus (AB) I6

Description	Number of Units	Unit Price	Amount
Opening Balance (Sep 1, 2015)	553.58158	13.373	7,403.28
Savings bonus	1.39308		18.92
Investment Gain / Loss			<u>391.03</u>
Closing Balance (Aug 31, 2016)	554.97466	14.078	<u>7,813.23</u>

4271 - ML PH&N Bond Fund c3

Description	Number of Units	Unit Price	Amount
Opening Balance (Sep 1, 2015)	5,364.18343	16.483	88,418.97
Savings bonus	13.51264		224.96
Investment Gain / Loss			<u>3,641.22</u>
Closing Balance (Aug 31, 2016)	5,377.69607	17.160	<u>92,285.14</u>

more ...



Financial Report Summary

September 1, 2015 to August 31, 2016

Policy 71906002, Plan 1

Page 5

US Large Cap Eqty

8132 - ML MAM U.S. Large Cap Core f1

Description	Number of Units	Unit Price	Amount
Opening Balance (Sep 1, 2015)	5,066.51746	16.840	85,323.60
Contribution (includes \$ 0.01 interest)	97.72607		1,750.01
Savings bonus	12.95355		219.06
Investment Gain / Loss			<u>5,840.50</u>
Closing Balance (Aug 31, 2016)	5,177.19708	17.989	93,133.17

8322 - ML BR U.S. Equity Index b5

Description	Number of Units	Unit Price	Amount
Opening Balance (Sep 1, 2015)	3,150.64094	18.496	58,274.26
Contribution (includes \$ 0.01 interest)	89.02139		1,750.01
Savings bonus	8.08746		154.40
Investment Gain / Loss			<u>5,167.17</u>
Closing Balance (Aug 31, 2016)	3,247.74979	20.120	65,345.83

Schedule "M" Contracts

Contracting Party	Description
Multidev Technologies Inc.	Back office, accounting and POS Software Licensing
Canada Post	Mail and courier services
Canpar Courier	Courier services
United Parcel Service Canada Ltd.	Courier services
Moneris Solutions Corporation	Credit card transaction services
Stingray Business	Music agreement
Frontier Networks Inc.	Telecommunications
Shoplynx/The Recommerce Group	Online store integration
Coverall Services of Canada	Office cleaning
Profect Security & Locksmiths	Monitoring agreement
Markville Disposal	Waste collection services
Francotyp-Postalia Canada Inc.	Postage meter
Olympic Dust	Floor mat service agreement
Rogers Communications Partership	Cell phones for District Managers, Darren, Keith, Malcolm (Spouse) and Roy (Spouse)
Xerox Canada Ltd.	Photocopier/Printer Rentals
Bur Oak Landscaping	Head office snow removal
<u>Other service providers without contracts</u>	
Rogers	Internet for head office
Beanstream	Online store payment processing
ADP LLC	Payroll services
Mailchimp	Marketing mailing service
Zendesk	Customer Service Software
Paypal	Online store payment processing
Green Ace	HVAC maintenance service provider
Dynamic Mind	Web hosting
Gardaworld Cash Services	Night deposits for 2 locations without banks close by
Canadian Springs	Water cooler filtration system

**IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL
OF MRP RETAIL INC. AND MRP FAMILY RETAIL INC.**

District of Ontario
Division No. 9 - Toronto
Estate/Court File No: 31-2205065
Estate/Court File No. 31-2205066

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

Proceedings commenced at Toronto

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