

SUPERIOR COURT
(Commercial Division)

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

No.: 500-11-057985-208

DATE: February 24, 2020

PRESIDING: ME CHANTAL FLAMAND, REGISTRAIRE

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

STOKES INC.

Debtor / Petitioner

and

RICHTER ADVISORY GROUP INC.

Trustee

**ORDER APPROVING AN ADMINISTRATION CHARGE, A D&O CHARGE, A
CONSULTING AGREEMENT AND SALE GUIDELINES AND GRANTING
ANCILLARY RELIEF**

- [1] **CONSIDERING** the Application for an Order approving an Administration Charge, a D&O Charge, a Consulting Agreement and Sale Guidelines and granting ancillary relief pursuant to sections 64.1, and 64.2 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (“**BIA**”), as well as the exhibits and the affidavit of Mr. Mohammad Rahaman, filed in support thereof (the “**Application**”) by the Debtor / Petitioner Stokes Inc. (the “**Petitioner**”);

- [2] **CONSIDERING** the Notice of intention to make a proposal filed by the Petitioner on February 18, 2020 in accordance with the BIA (the “**NOI**”);
- [3] **CONSIDERING** the representations of counsel;
- [4] **CONSIDERING** the provisions of the BIA;

THE COURT HEREBY:

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

Definitions

- [6] **DECLARES** that, unless otherwise defined, all capitalized terms in this Order shall have the meaning ascribed thereto in the Application.

Service

- [7] **DECLARES** that sufficient prior notice of the presentation of this Application has been given by the Petitioner to the interested parties who are likely to be affected by the charges created herein.

Consulting Agreement and Sale of Inventory

- [8] **APPROVES** and **RATIFIES** the Consulting Agreement dated as of February 20, 2020 between a joint venture comprised of Tiger Asset Solutions Canada, ULC and GA Retail Canada ULC (the “**Consultant**”) and the Petitioner (with such minor amendments to the Consulting Agreement, excluding the Sale Guidelines which are not to be amended, as the Petitioner (with the consent of the Trustee), the Bank of Nova Scotia and the Consultant may agree to in writing, the “**Consulting Agreement**”), including the Sales Guidelines attached hereto as Schedule I (the “**Sales Guidelines**”), and **APPROVES** the transactions contemplated thereunder.
- [9] Subject to the provisions of this Order, **AUTHORIZES** and **DIRECTS** the Petitioner to take any and all actions, including, without limitation, execute and deliver such additional documents, as may be necessary or desirable to implement the Consulting Agreement and each of the transactions contemplated thereunder.
- [10] **DECLARES** that the Petitioner, with the assistance of the Consultant, is authorized to conduct the Sale in accordance with this Order, the Consulting Agreement and the Sales Guidelines and to advertise and promote the Sale within the Closing Stores in accordance with the Sales Guidelines.

- [11] **DECLARES** that if there is a conflict between this Order, the Consulting Agreement and the Sales Guidelines, the order of priority of documents to resolve such conflicts is as follows:
- (a) First, this Order;
 - (b) Second, the Sales Guidelines; and
 - (c) Third, the Consulting Agreement.
- [12] **ORDERS** and **DECLARES** that the Petitioner, with the assistance of the Consultant, is authorized to market and sell the Merchandise and the FF&E (as such terms are defined in the Consulting Agreement) free and clear of all security, prior claims, hypothecs, liens, claims, encumbrances, security interests, mortgages, charges, trusts, deemed trusts, executions, levies, taxes, obligations, liabilities, financial, monetary or other claims, whether or not such claims have attached or been registered, published, perfected or filed and whether secured, unsecured, quantified or unquantified, contingent or otherwise, whensoever and howsoever arising, and whether such claims arose or came into existence prior to the date of this Order or came into existence following the date of this Order (in each case, whether contractual, statutory, arising by operation of law or otherwise), including, without limitation the Administration Charge, the D&O Charge and any other charges hereafter granted by the Court in these proceedings (all of the foregoing, collectively "**Encumbrances**"), and for greater certainty, **ORDERS** that all of the Encumbrances affecting or relating to the Merchandise and the FF&E be expunged and discharged as against the Merchandise and the FF&E, in each case effective as of the sale of the Merchandise and FF&E, which Encumbrances will attach instead to the proceeds of sale of the Merchandise and FF&E (other than amounts specified at paragraph [23] of this Order), in the same order and priority as they existed as of the date hereof.
- [13] **ORDERS** and **DECLARES** that subject to the terms of this Order, the Sales Guidelines and the Consulting Agreement, the Consultant shall have the right to enter and use the Closing Stores and all related Store services and all facilities and all furniture, trade fixtures and equipment, including the FF&E, located at the Closing Stores, and other assets of the Petitioner as designated under the Consulting Agreement, for the purpose of conducting the Sale and for such purposes, the Consultant shall be entitled to the benefit of the stay of proceedings in place in the present proceedings, as such stay of proceedings may be extended by further order of the Court.
- [14] **ORDERS** and **DECLARES** that until the applicable Sale Termination Date (as defined in the Consulting Agreement) for each Closing Store (which shall in no event be later than May 24, 2020), the Consultant shall have access to the Closing Stores in accordance with the applicable leases and the Sales Guidelines on the

basis that the Consultant is assisting the Petitioner and the Petitioner has granted the right of access to the applicable Closing Store to the Consultant.

- [15] **DECLARES** that, to the extent that the terms of the applicable leases are in conflict with any term of this Order or the Sales Guidelines, the terms of this Order and the Sales Guidelines shall govern.
- [16] **DECLARES** that nothing contained in this Order or the Sales Guidelines shall be construed to create or impose upon the Petitioner or the Consultant any additional restrictions not contained in the applicable lease or other occupancy agreement.
- [17] **ORDERS** and **DECLARES** that except as provided for in section [10] of this Order in respect of the advertising and promotion of the Sale within the Closing Stores, subject to, and in accordance with this Order, the Consulting Agreement and the Sales Guidelines, the Consultant is authorized to advertise and promote the Sale, without further consent of any person other than the Petitioner and the Trustee as provided under the Consulting Agreement or a Landlord (as defined in the Consulting Agreement) as provided under the Sales Guidelines.
- [18] **ORDERS** and **DECLARES** that until the applicable Sale Termination Date, the Consultant shall have the right to use, without interference by any intellectual property licensor, the Petitioner's trademarks, tradenames and logos, as well as all licenses and rights granted to the Petitioner to use the trade names, trademarks, and logos of third parties, relating to and used in connection with the operation of the Closing Stores solely for the purpose of advertising and conducting the Sale of the Merchandise and FF&E in accordance with the terms of the Consulting Agreement, the Sales Guidelines and this Order, provided that the Consultant provides the Petitioner with a copy of any advertising prior to its use in the Sale.
- [19] **DECLARES** that the Consultant shall act solely as an independent consultant to the Petitioner and that it shall not be liable for any claims against the Petitioner other than as expressly provided in the Consulting Agreement (including the Consultant's indemnity obligations thereunder) or the Sales Guidelines and, for greater certainty:
- (a) The Consultant shall not be deemed to be an owner or in possession, care, control or management of the Closing Stores, of the assets located therein or associated therewith or of the Petitioner's employees located at the Closing Stores or any other property of the Petitioner;
 - (b) The Consultant shall not be deemed to be an employer, or a joint or successor employer or a related or common employer or payer within the meaning of any legislation governing employment or labour standards or pension benefits or health and safety or other statute, regulation or rule of law for any purpose whatsoever, and shall not incur any successor liabilities whatsoever; and

- (c) The Petitioner shall bear all responsibility for any liability whatsoever (including without limitation losses, costs, damages, fines or awards) relating to claims of customers, employees and any other persons arising from events occurring at the Closing Stores during and after the Sale Term (as defined in the Consulting Agreement) in connection with the Sale, except to the extent such claims are the result of events or circumstances caused or contributed to by the gross negligence or wilful misconduct of the Consultant, its employees, agents or other representatives, or otherwise in accordance with the Consulting Agreement;

(sub-paragraphs (a), (b) and (c) above collectively, the “**Liability Limitations**”).

- [20] **AUTHORIZES** the Petitioner to remit, in accordance with the Consulting Agreement, all amounts that become due to the Consultant thereunder.
- [21] **ORDERS** that the Petitioner is authorized and permitted to transfer to the Consultant personal information in the Petitioner’s custody and control solely for the purposes of assisting with and conducting the Sale and only to the extent necessary for such purposes.
- [22] **ORDERS** that (i) the Consulting Agreement shall not be repudiated, resiliated or disclaimed by the Petitioner, (ii) in accordance with section 69.4 of the BIA, the Consultant shall not be affected by the stay of proceedings in respect of the Petitioner and shall be entitled to exercise its rights and remedies under the Consulting Agreement including in respect of claims of the Consultant pursuant to the Consulting Agreement (collectively, the “**Consultant’s Claims**”), and (iii) the Consultant’s Claims shall not be compromised, arranged or discharged pursuant to any proposal or plan of compromise or arrangement by or in respect of the Petitioner, and the Consultant shall be treated as an unaffected creditor in the context of the present proceedings and in any proposal, arrangement, receivership or bankruptcy.
- [23] **DECLARES** that no Encumbrances shall attach to any amounts payable or to be credited or reimbursed to, or retained by, the Consultant pursuant to the Consulting Agreement and, at all times, the Consultant will retain such amounts, free and clear of all Encumbrances, notwithstanding any enforcement or other process, all in accordance with the Consulting Agreement.
- [24] **ORDERS** and **DECLARES** that notwithstanding:
- (a) The pendency of these proceedings, including any bankruptcy that may result from these proceedings;
- (b) Any application for a bankruptcy order, receivership order or interim receivership order issued pursuant to the BIA in respect of the Petitioner, or any order made pursuant to such an application;

- (c) The filing of any assignment for the general benefit of creditors made or deemed to have been made pursuant to the BIA;
- (d) Any proceedings undertaken in respect of the Petitioner under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 (the "**CCAA**");
- (e) The provisions of any federal or provincial statute; or
- (f) Any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of the Encumbrances contained in any existing loan documents, lease, sublease, offer to lease or other agreement to which the Petitioner is a party;

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

Deposit protections

- [25] **ORDERS** the Petitioner, *nunc pro tunc*, to pay the Deposit (as defined in the Consulting Agreement) to the Consultant, in accordance with the terms of the Consulting Agreement, and **DECLARES**, without limiting the generality of paragraph [23] of this Order, that the Deposit shall be free of all Encumbrances and that the Consultant shall be entitled to retain and apply the Deposit in accordance with the terms of the Consulting Agreement without claim or interference by any creditor, trustee in bankruptcy or other stakeholder of the Petitioner, notwithstanding any enforcement or other process, and without leave or further order of this Court.
- [26] **ORDERS** that the Petitioner shall not grant any Encumbrances in or against the Deposit.

Appointment of the Chief Restructuring Advisor

- [27] **CONFIRMS** and **RATIFIES** the engagement of FAAN Advisors Group Inc. as chief restructuring advisor to the Petitioner ("**FAAN**") pursuant to the engagement letter dated January 30, 2020 and filed in support of the Application as Exhibit P-8 (the "**CRA Engagement Letter**").

- [28] **ORDERS** that the Petitioner and FAAN shall be bound by the terms and conditions of the CRA Engagement Letter and that the Petitioner and FAAN are authorized to perform all of their respective obligations pursuant to the terms and conditions of the CRA Engagement Letter and that the Petitioner and FAAN shall benefit from all of the indemnities and other rights accruing to each of them thereunder.
- [29] **ORDERS** that FAAN is hereby directed and empowered to exercise and perform all of the powers, responsibilities and duties described in the CRA Engagement Letter, as well as all other ancillary powers, responsibilities or duties as may be necessary or useful in order to give full and proper effect to the terms and conditions of the CRA Engagement Letter or this Order (collectively the "**CRA Powers**").
- [30] **DECLARES** that FAAN shall not be or be deemed to be a director, officer or employee of the Petitioner.
- [31] **DECLARES** that FAAN shall benefit from the Liability Limitations, *mutatis mutandis*.
- [32] **ORDERS** that FAAN shall incur no liability or obligation as a result of the engagement under the CRA Engagement Letter or the fulfillment or exercise of the CRA Powers, save and except for gross negligence or willful misconduct on FAAN's part, provided further, that in no event shall the liability of FAAN exceed the quantum of the fees paid to FAAN, and that FAAN shall not, as a result of the fulfillment or exercise of the CRA Powers, be deemed to occupy or take control, care, charge, possession or management of any of the property of the Petitioner within the meaning of any environmental legislation.
- [33] **DECLARES** that FAAN shall not have any liability with respect to any losses, claims, damages or liabilities, of any nature or kind, to any person from and after the date of this Order except to the extent such losses, claims, damages or liabilities result from the gross negligence or wilful misconduct on the part of FAAN.
- [34] **ORDERS** that:
- (a) Any indemnification obligations of the Petitioner in favour of FAAN; and
 - (b) The payment obligations of the Petitioner to FAAN;
- shall be entitled to the benefit of and shall form part of the Administration Charge set out herein.
- [35] **ORDERS** that any rights or claims of FAAN shall be treated as unaffected in these proceedings and, for greater certainty, that FAAN shall be treated as an unaffected creditor under any proposal or plan of arrangement filed by the Petitioner under any insolvency legislation.

- [36] **ORDERS** that the Petitioner will indemnify and hold harmless FAAN for and against all claims, obligations or liabilities that any member of FAAN may incur or for which any member of FAAN may become responsible by reason of or in relation to the CRA Engagement Letter, the fulfillment or exercise of the CRA Powers or this Order, except where such claims, obligations or liabilities result from the CRO's gross negligence, willful misconduct or gross or intentional fault provided, however, that in no event shall the liability of FAAN exceed the quantum of fees paid to FAAN. The foregoing indemnity shall survive termination of the CRA's Engagement Letter or FAAN's discharge.

Administration Charge

- [37] **ORDERS** that the Trustee, counsel to the Trustee, FAAN and counsel to the Petitioner are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed the aggregate amount of \$750,000, as security for their professional fees and disbursements, at the standard rates and charges, incurred both before and after the date of this Order. The Administration Charge shall have the priority set out in paragraphs [41] and following of this Order.
- [38] **ORDERS** that the Trustee, counsel to the Trustee, counsel to the Petitioner and FAAN shall be paid their reasonable fees and disbursements (including any pre-filing fees and disbursements), in each case at their standard rates and charges, by the Petitioner. The Petitioner is hereby authorized and directed to pay the accounts of the Trustee, counsel to the Trustee, counsel to the Petitioner, FAAN on a weekly basis or on such other basis as such persons may agree.

D&O Indemnification and Charge

- [39] **ORDERS** that the Petitioner shall indemnify all of its director and officers in office as at the date of this Order or thereafter appointed (the "**Director and Officers**") against obligations and liabilities that they may incur as director or officers of the Petitioner after the commencement of these proceedings, except to the extent that the obligation or liability was incurred as a result of the Director's or Officer's gross negligence or wilful misconduct.
- [40] **ORDERS** that the Director and Officers are hereby granted a charge (the "**D&O Charge**") on the Property, which charge shall not exceed the aggregate amount of \$500,000, as security for the indemnity provided in paragraph [39] of this Order. The D&O Charge shall have the priority set out in paragraphs [41] and following of this Order.

Priority of court-ordered charges

- [41] **DECLARES** that the priorities of the Administration Charge and the D&O Charge (collectively, the "**NOI Charges**"), as between them with respect to any Property to which they apply, shall be as follows:

(a) First, the Administration Charge;

(b) Second, the D&O Charge;

provided, however, that the NOI Charges shall rank after and be subordinated to the Scotia Security over the assets of the Petitioner in order to guarantee all present and future indebtedness owing by the Petitioner to Scotia, and to the HSBC Security, but in priority to any other Encumbrances.

[42] **ORDERS and DECLARES** that each of the NOI Charges shall constitute a charge on the Property and that such Charges shall rank in priority to other Encumbrances in favour of any person other than the Scotia Security and the HSBC Security, which shall rank senior to and ahead of the NOI Charges.

[43] **ORDERS** that the filing, registration or perfection of the NOI Charges shall not be required, and that the NOI Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, published, recorded or perfected subsequent to the NOI Charges coming into existence.

[44] **ORDERS** that except as may be approved or ordered by this Court, the Petitioner shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, the NOI Charges, unless the Petitioner also obtains the prior written consent of the Trustee and the beneficiaries of the NOI Charges.

[45] **ORDERS and DECLARES** that notwithstanding:

(a) The pendency of these proceedings;

(b) Any application for a bankruptcy order pursuant to the BIA or any bankruptcy order made pursuant to such an application;

(c) The filing of any assignment for the general benefit of creditors made pursuant to the BIA;

(d) The provisions of any federal or provincial statute; or

(e) Any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of the Encumbrances contained in any existing loan documents, lease, sublease, offer to lease or other agreement to which the Petitioner is a party;

the NOI Charges shall be binding on any trustee in bankruptcy that may be appointed in respect to the Petitioner and shall not be void or voidable by any person, including any creditor of the Petitioner, nor shall they, or any of them, constitute or be deemed to be a preference, fraudulent conveyance, transfer at undervalue or other challengeable or reviewable transaction, under the BIA or any

applicable law, nor shall they constitute oppressive or unfairly prejudicial conduct under any applicable law.

- [46] **ORDERS** that any of the NOI Charges created by this Order over leases of real property in Canada shall only be a charge in the Petitioner's interest in such real property leases.

Payment of Rent

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

General

- [48] **ORDERS** that Exhibits P-3, P-4, P-5, P-8 and P-9 filed in support of the Application be kept confidential and under seal until further order of this Court.
- [49] **ORDERS** that no person shall commence, proceed with or enforce any proceedings against the Trustee or any of the Director and Officers, employees, legal counsel or financial advisors of the Petitioner or of the Trustee in relation to the business of the Petitioner or the Property, without first obtaining leave of this Court, upon five (5) business days' written notice to the Petitioner's counsel, the Trustee and to all those referred to in this paragraph whom it is proposed be named in such proceedings.
- [50] **DECLARES** that the NOI, this Order and any proceeding or affidavit leading to this Order, shall not, in and of themselves, constitute a default or failure to comply by the Petitioner under any statute, regulation, licence, permit, contract, permission, covenant, agreement, undertaking or other written document or requirement other than the Scotia Loan (subject to the Forbearance Agreement).
- [51] **DECLARES** that this Order and its effects shall survive the filing by the Petitioner of a proposal pursuant to the terms of the BIA, the issuance of an initial order in regard of the Petitioner pursuant to the terms of the CCAA or the bankruptcy of the Petitioner, unless this Court orders otherwise.

- [52] **DECLARES** that, except as otherwise specified herein or in the BIA, the Petitioner and the Trustee are at liberty to serve any notice, proof of claim form, proxy, circular or other document in connection with these proceedings by forwarding copies by prepaid ordinary mail, courier, personal delivery or electronic transmission to persons or other appropriate parties at their respective given addresses as last shown on the records of the Petitioner and that any such service shall be deemed to be received on the date of delivery if by personal delivery or electronic transmission, on the following business day if delivered by courier, or three (3) business days after mailing if by ordinary mail.
- [53] **DECLARES** that the Petitioner and any party to these proceedings may serve any court materials in these proceedings on all represented parties electronically, by emailing a PDF or other electronic copy of such materials to counsels' email addresses, provided that the Petitioner shall deliver "hard copies" of such materials upon request to any party as soon as practicable thereafter.
- [54] **DECLARES** that, except as otherwise specified herein or in the BIA, or ordered by this Court, no document, order or other material need be served on any person in respect of these proceedings, unless such person has served a response on the Petitioner's counsel and the Trustee and has filed such response with this Court, or appears on the service list prepared by the Petitioner, the Trustee or their counsel, save and except when an order is sought against a person not previously involved in these proceedings.
- [55] **DECLARES** that the Petitioner or the Trustee may, from time to time, apply to this Court for directions concerning the exercise of their respective powers, duties and rights hereunder or in respect of the proper execution of this Order on notice only to each other.
- [56] **DECLARES** that the Petitioner and the Trustee shall be entitled to seek leave to vary this Order upon such terms and such notice as this Court deems just.
- [57] **ORDERS** and **DECLARES** that any interested Person may apply to this Court to vary or rescind this Order or seek other relief upon five (5) business days' notice to the Petitioner, the Trustee and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.
- [58] **DECLARES** that the Order and all other orders in these proceedings shall have full force and effect in all provinces and territories in Canada.
- [59] **REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, in the United States of America or elsewhere, to give effect to this Order and to assist, the Petitioner, the 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 Petitioner and the

Trustee, as an officer of this Court, as may be necessary or desirable to give effect to the Order, to grant representative status to the Trustee in any foreign proceeding or to assist the Petitioner, the Trustee and their respect agents in carrying out this Order.

- [60] **ORDERS** that each of the Petitioner and the Company be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulator or administrative body, wherever located, for the recognition of the Order and for assistance in carrying out the terms of this Order, and that the Trustee is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside of Canada.
- [61] **ORDERS** provisional execution of this Order notwithstanding any appeal and without the necessity of furnishing any security.
- [62] **THE WHOLE** without costs.



Me Chantal Flamand, registraire

MTRE. SANDRA ABITAN
MTRE. JULIEN MORISSETTE
(OSLER, HOSKIN & HARCOURT LLP)
COUNSEL TO THE PETITIONER

Hearing date: February 24, 2020

SCHEDULE I

SALE GUIDELINES

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

1. Except as otherwise expressly set out herein, and subject to: (i) the Order of the Superior Court of Québec (Commercial Division) (the "**Court**") approving the Consulting Agreement between a joint venture comprised of Tiger Asset Solutions Canada, ULC and GA Retail Canada ULC (the "**Consultant**") and Stokes (the "**Consulting Agreement**") and the transactions contemplated thereunder (the "**Approval Order**") or (ii) the provisions of the *Bankruptcy and Insolvency Act* ("**BIA**") and any further Order of the Court; or (iii) any subsequent written agreement between Stokes and its applicable landlord(s) (individually, a "**Landlord**" and, collectively, the "**Landlords**") and approved by the Consultant, the Sale shall be conducted in accordance with the terms of the applicable leases and other occupancy agreements for each of the affected Stores (individually, a "**Lease**" and, collectively, the "**Leases**"). However, nothing contained herein shall be construed to create or impose upon Stokes or the Consultant any additional restrictions not contained in the applicable Lease or other occupancy agreement.
2. The Sale shall be conducted so that each of the Stores remain open during their normal hours of operation provided for in the respective Leases for the Stores until the applicable premises vacate date for each Store under the Consulting Agreement (the "**Vacate Date**"), and in all cases no later than May 24, 2020. Rent payable under the respective Leases shall be paid as provided in the Approval Order.
3. The Sale shall be conducted in accordance with applicable federal, provincial and municipal laws, unless otherwise ordered by the Court.
4. All display and hanging signs used by the Consultant in connection with the Sale shall be professionally produced and all hanging signs shall be hung in a professional manner. Notwithstanding anything to the contrary contained in the Leases, the Consultant may advertise the Sale at the Stores as a "everything on sale", "everything must go", "store closing" or similar theme sale at the Stores (provided however that no signs shall advertise the Sale as a "bankruptcy", a "liquidation" or a "going out of business" sale, it being understood that the French equivalent of "clearance" is "liquidation" and that "liquidation" is permitted to be used in French language signs). Forthwith upon request, the Consultant shall provide the proposed signage packages along with proposed dimensions by e-mail or facsimile to the applicable Landlords or to their counsel of record and the applicable Landlord shall notify the Consultant of any requirement for such signage to otherwise comply with the terms of the Lease and/or the Sale Guidelines and where the provisions of the Lease conflicts with these Sale Guidelines, these Sale Guidelines shall govern. The Consultant shall not use neon or day-glow signs or any handwritten signage (save that handwritten "you pay" or "topper" signs may be used). If a Landlord is concerned with

"Store Closing" signs being placed in the front window of a Store or with the number or size of the signs in the front window, Stokes, the Consultant and the Landlord will work together to resolve the dispute. Furthermore, with respect to enclosed mall Store location without a separate entrance from the exterior of the enclosed mall, no exterior signs or signs in common area of a mall shall be used unless explicitly permitted in the applicable Lease. In addition, the Consultant shall be permitted to utilize exterior banners/signs at stand alone or strip mall Stores or enclosed mall Store locations with a separate entrance from the exterior of the enclosed mall; provided, however, that: (i) no signage in any other common areas of a mall shall be used; and (ii) where such banners are not explicitly permitted by the applicable Lease and the Landlord requests in writing that banners are not to be used, no banners shall be used absent further Order of the Court, which may be sought on an expedited basis on notice to the Service List. Any banners used shall be located or hung so as to make clear that the Sale is being conducted only at the affected Store and shall not be wider than the premises occupied by the affected Store. All exterior banners shall be professionally hung and to the extent that there is any damage to the facade of the premises of a Store as a result of the hanging or removal of the exterior banner, such damage shall be professionally repaired at the expense of Stokes. The Consultant shall not utilize any commercial trucks to advertise the Sale on Landlord's property or mall ring roads.

5. The Consultant shall be permitted to utilize sign walkers and street signage; provided, however, such sign walkers and street signage shall not be located on the shopping center or mall premises.
6. The Consultant shall be entitled to include additional merchandise in the Sale provided that (a) the additional merchandise is currently in the possession of Stokes (including in its warehouse and distribution center) and has previously been ordered by or on behalf of Stokes and is currently in transit to Stokes; and (b) the additional merchandise is of like kind and category and no less quality to the Merchandise, and consistent with any restrictions on usage of the Stores set out in the applicable Leases.
7. Conspicuous signs shall be posted in the cash register areas of each Store to the effect that all sales are "final" and customers with any questions or complaints are to call Stokes' hotline number.
8. The Consultant shall not distribute handbills, leaflets or other written materials to customers outside of any of the Stores on any Landlord's property, unless explicitly or expressly permitted by the applicable Lease or, if distribution is customary in the shopping centre in which the Store is located. Otherwise, the Consultant may solicit customers in the Stores themselves. The Consultant shall not use any giant balloons, flashing lights or amplified sound to advertise the Sale or solicit customers, except as explicitly or expressly permitted under the applicable Lease, or agreed to by the Landlord.
9. At the conclusion of the Sale in each Store, the Consultant and Stokes shall arrange that the premises for each Store are in "broom-swept" and clean condition, and shall arrange that the Stores are in the same condition as on the commencement of the Sale, ordinary wear and tear excepted. No property of any Landlord of a Store shall be removed or sold during the Sale. No permanent fixtures (other than Stokes FF&E (as defined below) for

clarity) may be removed without the Landlord's written consent unless otherwise provided by the applicable Lease and in accordance with the Approval Order. Any trade fixtures or personal property left in a Store after the applicable Vacate Date in respect of which the applicable Lease has been disclaimed by Stokes shall be deemed abandoned, with the applicable Landlord having the right to dispose of the same as the Landlord chooses, without any liability whatsoever on the part of the Landlord. Nothing in this paragraph shall derogate from or expand upon the Consultant's obligations under the Consulting Agreement.

10. Subject to the terms of paragraph 9 above, the Consultant shall sell furniture, fixtures and equipment owned by Stokes ("**Stokes FF&E**") and located in the Stores during the Sale. For greater certainty, Stokes FF&E does not include any portion of the Stores' HVAC, sprinklers, fire suppression, or fire alarm systems. Stokes and the Consultant may advertise the sale of Stokes FF&E consistent with these Sale Guidelines on the understanding that the Landlord may require such signs to be placed in discreet locations within the Stores reasonably acceptable to the Landlord. Additionally, the purchasers of any Stokes FF&E sold during the Sale shall only be permitted to remove the Stokes FF&E either through the back shipping areas designated by the Landlord or through other areas after regular Store business hours or, through the front door of the Store during Store business hours if the Stokes FF&E can fit in a shopping bag, with Landlord's supervision as required by the Landlord and in accordance with the Approval Order. Stokes shall repair any damage to the Stores resulting from the removal of any Stokes FF&E by Consultant or by third party purchasers of Stokes FF&E.
11. The Consultant shall not make any alterations to interior or exterior Store lighting, except as authorized pursuant to the affected Lease. The hanging of exterior banners or other signage, where permitted in accordance with the terms of these Sale Guidelines, shall not constitute an alteration to a Store.
12. Stokes hereby provides notice to the Landlords of Stokes and the Consultant's intention to sell and remove Stokes FF&E from the Stores. The Consultant shall make commercially reasonable efforts to arrange with each Landlord that so requests, a walk-through with the Consultant to identify the Stokes FF&E subject to the Sale. The relevant Landlord shall be entitled upon request to have a representative present in the applicable Stores to observe such removal. If the Landlord disputes the Consultant's entitlement to sell or remove any Stokes FF&E under the provisions of the Lease, such Stokes FF&E shall remain on the premises and shall be dealt with as agreed between Stokes, the Consultant and such Landlord, or by further Order of the Court upon application by Stokes on at least two (2) days' notice to such Landlord and the proposal Trustee. If Stokes has disclaimed or resiliated the Lease governing such Store in accordance with the BIA, it shall not be required to pay rent under such Lease pending resolution of any such dispute (other than rent payable for the notice period provided for in the BIA), and the disclaimer or resiliation of the Lease shall be without prejudice to Stokes's or the Consultant's claim to the Stokes FF&E in dispute.
13. If a notice of disclaimer or resiliation is delivered pursuant to the BIA to a Landlord while the Sale is ongoing and the Store in question has not yet been vacated, then: (a) during the notice period prior to the effective time of the disclaimer or resiliation, the Landlord

- may show the affected leased premises to prospective tenants during normal business hours, on giving Stokes, the proposal Trustee and the Consultant 24 hours' prior written notice; and (b) at the effective time of the disclaimer or résiliation, the relevant Landlord shall be entitled to take possession of any such Store without waiver of or prejudice to any claims or rights such Landlord may have against Stokes in respect of such Lease or Store, provided that nothing herein shall relieve such Landlord of any obligation to mitigate any damages claimed in connection therewith.
14. The Consultant and its agents and representatives shall have the same access rights to the Stores as Stokes under the terms of the applicable Lease, and the Landlords shall have the rights of access to the Stores during the Sale provided for in the applicable Lease (subject, for greater certainty, to any applicable stay of proceedings).
 15. Stokes and the Consultant shall not conduct any auctions of Merchandise or Stokes FF&E at any of the Stores.
 16. The Consultant shall designate a party to be contacted by the Landlords should a dispute arise concerning the conduct of the Sale. The initial contact for Consultant shall be (i) Mark P. Naughton who may be reached by phone at (312) 894-6081 or email at mnaughton@tigergroup.com. If the parties are unable to resolve the dispute between themselves, the Landlord or Stokes shall have the right to schedule a "status hearing" before the Court on no less than two (2) days written notice to the other party or parties, during which time the Consultant shall cease all activity in dispute other than activity expressly permitted herein, pending determination of the matter by the Court; provided, however, subject to paragraph 4 of these Sale Guidelines, if a banner has been hung in accordance with these Sale Guidelines and is the subject of a dispute, the Consultant shall not be required to take any such banner down pending determination of any dispute.
 17. Nothing herein or in the Consulting Agreement is or shall be deemed to be a consent by any Landlord to the sale, assignment or transfer of any Lease, or shall, or shall be deemed to, or grant to the Landlord any greater rights than already exist under the terms of any applicable Lease.
 18. These Sale Guidelines may be amended by written agreement between the Consultant, Stokes and the applicable Landlord.