

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERICAL LIST)**

Estate/Court File No. 31-2363758

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
JONES CANADA, INC., A CORPORATION WITH A HEAD OFFICE IN THE CITY OF
TORONTO IN THE PROVINCE OF ONTARIO**

Applicant

Estate/Court File No. 31-2363759

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF NINE
WEST CANADA LP, A PARTNERSHIP WITH A HEAD OFFICE IN THE CITY OF
TORONTO IN THE PROVINCE OF ONTARIO**

Applicant

MOTION RECORD OF THE APPLICANTS

(Approval of the Liquidation Process and Administration Order returnable April 11, 2018)

April 6, 2018

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TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF NINE
WEST CANADA LP, A PARTNERSHIP WITH A HEAD OFFICE IN THE CITY OF
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Applicant

**NOTICE OF MOTION
(Returnable April 11 2018)
(Re Approval of the Liquidation Process et al)**

Nine West Canada LP (“**NW Canada LP**”) and Jones Canada, Inc. (“**Jones Canada**”, and together with NW Canada LP, the “**NW Canada Entities**” or the “**Applicants**”), will make a motion to a judge presiding over the Commercial List on April 11, 2018 at 10:00 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.

THE MOTION IS FOR:

1. An order (the “**Liquidation Process Order**”), substantially in the form of the draft order located at tab 4 of the Motion Record:
 - a) approving the consulting agreement (the “**Consulting Agreement**”) between the NW Canada Entities and SB360 Capital Partners LLC (the “**Consultant**”) in the form attached as **Exhibit “L**” to the Affidavit of Ralph Schipani sworn April 6 , 2018 (the “**Schipani Affidavit**”) , a copy of which will also be appended to the First Report (the “**First Report**”) of Richter Advisory Group Inc. (“**Richter**”), in its capacity as the Proposal Trustee of the NW Canada Entities (the “**Proposal Trustee**”), and the transactions contemplated thereunder;

- b) approving the sale guidelines (the “**Sale Guidelines**”) in the form attached as Schedule A to the Liquidation Process Order;
 - c) authorizing NW Canada LP, with the assistance of the Consultant, to conduct a liquidation sale in accordance with the Consulting Agreement, the Liquidation Process Order, and the Sale Guidelines;
 - d) authorizing and directing the NW Canada Entities to take any and all actions as may be necessary or desirable to implement the Consulting Agreement and each of the transactions contemplated therein;
2. An order (the “**Administration Order**”), substantially in the form of the draft order located at tab 5 of the Motion Record:
- a) extending the time for filing a proposal (the “**Proposal Period**”) pursuant to s. 50.4(9) of the *Bankruptcy and Insolvency Act*, RSC 1983, c B-3, as amended (the “**BIA**”);
 - b) approving the substantive consolidation of the NW Canada Entities’ Proposal Proceedings (as hereinafter defined) and authorizing and authorizing the Proposal Trustee of the consolidated Proposal Proceedings of the NW Canada Entities to administer the Proposal Proceedings as if the proceedings were a single proceeding for the purpose of carrying out its duties and responsibilities as a proposal trustee under the BIA with respect to the administration of proposal proceedings generally;
 - c) authorizing the Applicants to continue using the Cash Management System (as defined and described below) currently in place;
 - d) approving the D&O Charge (as defined and described below) in the amount of \$700,000¹;
 - e) approving the Administration Charge (as defined and described below) in the amount of \$750,000;

¹ All references to currency in this Notice of Motion are to Canadian dollars unless stated otherwise.

- f) approving the key employee retention agreement (the “KERA”), a copy of which will be attached as a confidential appendix to the First Report and approving the KERA Charge (as defined and described below);
 - g) sealing the KERA and the Comparative Analysis (as defined below), copies of which will be attached as confidential appendices to the First Report; and
3. such other relief as the Court may deem appropriate.

THE GROUNDS FOR THE MOTION ARE:

Overview of the NW Canada Entities’ Operations

4. The NW Canada Entities are wholesalers and retailers of Nine West brand footwear and accessories in Canada. The NW Canada Entities are also the exclusive wholesalers of various brands of women’s apparel, jewellery, handbags and women’s footwear in Canada. The NW Canada Entities are indirect wholly-owned subsidiaries of U.S. parent companies whose ultimate parent is Jasper Parent LLC (the “NW U.S. Entities”, and, collectively with the NW Canada Entities, the “NW Entities”);
5. Jones Canada is a private company incorporated under the *Ontario Business Corporations Act*, R.S.O. 1990, c. B. 16 (the “OBCA”). Jones Canada is the general partner of NW Canada LP, an Ontario limited partnership and carries on no other business aside from being the general partner of NW Canada LP;
6. The NW Canada Entities acquired their business from Sherson Group Inc. (“Sherson”) in 2015, which was the Canadian wholesaler and retailer of Nine West merchandise for nearly 30 years. As a result of poor financial performance, on June 29, 2015, Sherson filed a Notice of Intention to Make a Proposal (the “NOI”) under section 50.4(1) of the BIA. On August 20, 2015, this Court approved the sale of substantially all of Sherson’s business and assets to NW Canada LP, which sale closed in August 2015;
7. The NW U.S. Entities licence their brands to the NW Canada Entities pursuant to a Distribution and Licence Agreement between Sherson Marketing Group and certain of the NW U.S. Entities, which was assumed by the NW Canada Entities upon their acquisition of

Sherson in 2015. The NW Canada Entities are the exclusive distributors in Canada of women's footwear and accessories bearing certain trademarks owned by the NW U.S. Entities;

8. As summarized below, since 2015, the NW Canada Entities have been receiving financial support from the NW U.S. Entities in order to continue the Canadian retail and wholesale operations. The NW Canada Entities have attempted to revitalize the Nine West brand since the Sherson acquisition, restructure their operations and downsize their Canadian footprint to reach manageable and self-sufficient operations, including closing a number of Canadian stores. However, these efforts have been unsuccessful;

The NW Canada Entities' Indebtedness to the NW U.S. Entities

9. The largest secured creditor of the NW Canada Entities are certain of the NW U.S. Entities. Since the purchase of the business from Sherson in 2015, the NW U.S. Entities continually funded the shortfall in Canadian operations. In total, such funding totalled in excess of \$40 million as of April 6, 2018;

10. In the fall of 2017, the NW Canada Entities sought and obtained additional financing on a secured basis from the NW U.S. Entities. This financing was critical as it permitted the NW Canada Entities to meet their obligations and continue operations;

11. On October 18, 2017, NW Canada LP issued two interest-bearing revolving inter-company notes in favour of two U.S. entities (collectively, the "Promissory Notes"): a note in favour of Nine West Management Service LLC in the principal amount of \$2 million and a note in favour of Nine West Holdings Inc. in the principal amount of \$23 million;

12. As security for NW Canada LP's obligations under the Promissory Notes, NW Canada LP provided general security agreements and hypothecs to Nine West Management Service LLC and Nine West Holdings Inc. (collectively, the "Intercompany Security");

13. At the time of the swearing of the Schipani Affidavit, the estimated balances of unsecured intercompany financing from the Nine West U.S. entities (not including March 2018 advances) total approximately US \$12,465,000 and secured intercompany financing total approximately US \$1,583,000;

The NW Entities' Financial Difficulties and Commencement of the Chapter 11 Proceedings

14. Unfortunately, for the last several years, the NW Entities have experienced a consistent decline in the financial performance of their Canadian and U.S. operations, caused by a confluence of factors, including unfavourable retail market trends, changing consumer preferences, and inventory and design choices that did not align with consumer preferences. Attempts to revitalize the Nine West and associated brands have failed in both Canada and the U.S;

15. On April 6, 2018, the NW U.S. Entities commenced insolvency proceedings under Chapter 11 of the U.S. Bankruptcy Code (the "**Chapter 11 Proceedings**"). The Proposal Proceedings and the Chapter 11 Proceedings are independent processes. The NW Canada Entities are not applicants in the Chapter 11 Proceedings, and no recognition orders are being sought in Canada with respect to the Chapter 11 Proceedings. The Canadian NW Entities are neither borrowers nor guarantors of the debt of the NW U.S. Entities, and are not borrowers under the proposed U.S. debtor-in-possession facility in the Chapter 11 Proceedings;

16. The Chapter 11 Proceedings contemplate a sale of the NW U.S. Entities' intellectual property and certain working capital assets, but specifically exclude the Canadian operations. The extensive marketing process undertaken the by NW U.S. Entities prior to the commencement of the Chapter 11 Proceedings did not generate any interest in the sale of the NW Canada Entities' assets;

17. With the commencement of the Chapter 11 Proceedings, the NW Canada Entities have lost access to critical funding from the NW U.S. Entities without which they are unable to continue operations. In the circumstances, the NW Canada Entities believe that the best way to maximize recoveries for their stakeholders is through a supervised and orderly liquidation process and wind-down of their operations;

The NOI Proceedings

18. On April 6, 2018 , Jones Canada and NW Canada LP each filed an NOI under the BIA and commenced proposal proceedings (the "**Proposal Proceedings**"). The NOI filings were

necessary to provide stability to the NW Canada Entities and permit the implementation of the proposed liquidation, which is further described below;

19. On February 26, 2018, Richter was engaged as financial advisor to the NW Canada Entities. Following the filings of the NOI's, Richter was appointed as Proposal Trustee in the Proposal Proceedings;

Liquidator Selection Process

20. In March 2018, Richter commenced a request for proposal ("**RFP**") process to solicit proposals from third party liquidators to assist the NW Canada Group in the orderly liquidation of the inventory, furniture, fixtures and other store equipment through the conduct of "going-out-of-business" or similar themed sales (the "**Liquidation Sale**");

21. Richter contacted approximately seven potential liquidators with prior experience handling large-scale liquidations, including large-scale liquidations in Canada, informing them of the RFP process and providing them with a form of non-disclosure agreement (the "**NDA**"). Subsequently, seven parties executed NDAs and were provided with access to a virtual data room which contained relevant financial and operation data concerning the inventory and furniture, fixtures and equipment ("**FF&E**"), as well as a draft of the Consulting Agreement. Richter and the NW Canada Entities answered questions and provided follow-up information to the liquidators upon their request;

22. Three proposals were received by the bid deadline. Richter prepared a comparative analysis of the proposals (the "**Comparative Analysis**"), which is attached as a confidential appendix to the First Report. Following consideration of all of them, the NW Canada Entities, in consultation with Richter, selected SB360 as the successful bidder, or Consultant. The Consultant has extensive experience conducting retail liquidations, including inventory dispositions for a wide variety of former retailers;

The Consulting Agreement and Sale Guidelines

23. On April 3, 2018, the Consultant and the NW Canada Entities agreed to the final form of an agreement outlining the proposed liquidation of the NW Canada Entities' inventory (the

“**Consulting Agreement**”). The Consulting Agreement contemplates the Liquidation Sale will commence between April 14, 2018 and April 21, 2018 and will conclude no later than June 30, 2018, or such other dates agreed to by the NW Canada Entities and the Consultant. The Sale Guidelines provide, among other things, that subject to certain exceptions, the Liquidation Sale shall be conducted in accordance with the terms of the applicable leases for each of the closing stores;

24. The Consulting Agreement provides that the Consultant will act as an exclusive independent consultant for the purpose of advising the NW Canada entities with respect to the sale of the inventory and FF&E located at the retail store locations. The Consulting Agreement provides that NW Canada is responsible for all expenses incurred in connection with the sale of inventory and FF&E at the retail locations, including supervisor costs and advertising and sign expenses, subject to a budget to be agreed upon by the NW Canada Entities and the Consultant;

25. The Consultant will be paid a fee equal to 1.25% of the gross proceeds of the sale of inventory and 15% of the gross receipts (net of sales tax) from all sales or other dispositions of FF&E. In addition, the NW Canada Entities will reimburse the Consultant for the Consultant’s reasonable out of pocket expenses incurred in connection with the sale or disposition of the FF&E which expenses have been previously approved in writing by the NW Canada Entities and the Proposal Trustee;

26. Pursuant to the Consulting Agreement, the Consultant will provide the NW Canada Entities with a variety of services with respect to the liquidation, including providing full-time supervisors to supervise and conduct the liquidation, and recommending and implementing appropriate point of purchase, point of sale and external advertising to effectively sell the inventory and FF&E;

27. The NW Canada Entities believe that engaging a professional liquidator to undertake a sale of the inventory and FF&E in the closing stores in the closing retail locations will produce better results for the NW Canada Entities than an attempt to sell such inventory and FF&E without professional assistance. The Consultant has extensive experience conducting retail liquidations, including inventory dispositions for a wide variety of former retailers, and is

experienced in dealing with the type of landlord and customer concerns that may arise in the type of process contemplated in the liquidation;

28. The proposed Liquidation Sale under the Liquidation Process Order, Sales Guidelines and Consulting Agreement is the best way to maximize the value of the NW Canada Entities' inventory and FF&E for the benefit of all of the NW Canada Entities' stakeholders. The NW Canada Entities' board of directors and management believe the liquidation is a fair and reasonable process for the sale of the assets. The Liquidation Process Order and Sale Guidelines are supported by the NW U.S. Entities and the Proposal Trustee;

D & O Charge, Administration Charge and KERA Charge

29. Immediately prior to the commencement of the Proposal Proceedings, the NW Canada Entities set aside funds in trust sufficient to cover the NW Canada Entities' GST/HST, employee source deduction, payroll and accrued vacation pay liabilities (the "D&O Trust"). As a result, the NW Canada Entities have funds sufficient to make all required payments in respect of employee wages, vacation pay and benefits to their employees, as well as outstanding obligations of amounts required to be remitted to governmental authorities through source deductions or otherwise. The creation of the D&O Trust was necessary to ensure the continued participation of the NW Canada Entities' directors and officers in the Proposal Proceedings;

30. To ensure that the liquidation is carried out successfully and value is maximized for the NW Canada Entities' Creditors, the Applicants require the continued participation of their respective directors, officers, managers and employees. The directors and officers of the Applicants have indicated that, due to the potentially significant personal exposure arising going forward, they cannot continue their service with the Applicants unless they obtain a charge all of the Applicants' property, assets and undertakings (the "Property") in the amount of \$700,000 (the "D&O Charge"), ranking in second priority on the Property. The D&O Charge will allow the Applicants to continue to benefit from the efforts and knowledge of their directors and officers. The Applicants and the Proposal Trustee believe the D&O Charge is reasonable in the circumstances;

31. The NW Canada Entities seek an order of this court granting a charge over the Property securing the fees and disbursements of counsel to the NW Canada Entities, the Proposal trustee and its counsel (the “**Administration Charge**”), ranking in first priority on the Property . The professionals whose fees are to be secured by the Administration Charge have taken on, and will continue to take on, a critical role in these proceedings and there will be no unwarranted duplication of roles. The NW Canada Entities have worked with the Proposal Trustee to estimate the proposed quantum of the Administration Charge and believe it to be reasonable and appropriate in the circumstances;

32. In an attempt to ensure the continued participation of employees identified as key employees during the Proposal Proceedings, the NW Canada Entities are seeking approval of KERA entered into with those employees. The NW Canada Entities are seeking a charge on the Property in priority to all other charges in the maximum amount of the KERA’s value (the “**KERA Charge**”), ranking in third priority on the Property, to secure the obligations under the KERA. The KERA and the KERA Charge are necessary in order to complete the Liquidation Sale contemplated by the Liquidation Process Order and Consulting Agreement and ensure the success of the Proposal Proceedings;

Substantive Consolidation

33. The relationships among the NW Canada Entities are closely intertwined. Jones Canada is the general partner of NW Canada LP and carries on no other business aside from being the general partner of NW Canada LP. The NW Canada Entities share common management and administrative support and have parallel loan obligations pursuant to the Promissory Notes. The proposed Liquidation Sale involves the sale of all of the property of the NW Canada Entities;

34. The substantive consolidation of the NW Canada Entities is appropriate, as it would allow the Proposal trustee to avoid performing certain separate actions in respect of each of Jones Canada and NW Canada LP, such as issuing reports of the Proposal Trustee, making filing, advertising and distributing all filings and notices required under the BIA, and conducting separate meetings for the voting on a proposal and determining and advising the creditors of Jones Canada and NW Canada LP in the making of distributions. Preventing the

duplication of these efforts is in the best interest of the NW Canada Entities' stakeholders as it will reduce costs;

35. The largest creditors of the NW Canada Entities, NW U.S. Entities, have no objections to the proposed consolidation. The proposed consolidation will not result in any prejudice to the creditors of the two entities;

Sealing Orders

36. The Comparative Analysis contains commercially sensitive information, the disclosure of which would cause harm to the Applicants and their stakeholders if released. Further, the KERA contains sensitive personal information about certain of the Applicant's employees. As a result, the Applicants are seeking orders sealing the Comparative Analysis and the KERA;

Stay Extension

37. The Consulting Agreement contemplates the Liquidation Sale to commence between April 7, 2018 and April 21, 2018 and conclude no later than June 30, 2018, or such other dates agreed to by the NW Canada Entities and the Consultant. Leading up to this date, the NW Canada Entities, the Consultant, Proposal Trustee and their advisors will be working together to complete the Liquidation Sale, deal with employees, suppliers, customers and other stakeholder issues, and otherwise advance the Proposal Proceedings. A 45-day extension of the Proposal Period would give the NW Canada Entities the time needed to advance the Liquidation Sale and work on the terms of a proposal for consideration of the NW Canada Entities' creditors. No creditors of the NW Canada Entities would be prejudiced by this extension. The cashflow statement prepared by the Proposal Trustee shows that the Applicants will have sufficient liquidity to carry out the liquidation during the stay extension;

General

38. Sections 50.4 (9), 64.1, 64.2, 65.13, 69.1 and 183 of the BIA and the other provisions of the BIA;

39. 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;

40. Section 137(2) of the *Courts of Justice Act*, R.S.O. 1990, c C. 43; and

41. Such further grounds as counsel may advise and this Court may see fit.

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

1. The Schipani Affidavit, and the exhibits attached thereto;
2. The First Report of the Proposal Trustee; and
3. Such further and other materials as counsel may advise and this Court may permit.

April 6, 2018

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Lawyers for the Applicant

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF NINE WEST CANADA LP, A PARTNERSHIP WITH A HEAD OFFICE IN THE CITY OF TORONTO IN THE PROVINCE OF ONTARIO

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto

NOTICE OF MOTION
(Re Approval of the Liquidation Process et al)

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Lawyers for the Applicant

TAB 2

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF JONES
CANADA, INC., A CORPORATION WITH A HEAD OFFICE IN THE CITY OF TORONTO
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(Returnable April 11 2018)
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Nine West Canada LP (“**NW Canada LP**”) and Jones Canada, Inc. (“**Jones Canada**”, and together with NW Canada LP, the “**NW Canada Entities**” or the “**Applicants**”), will make a motion to a judge presiding over the Commercial List on April 11, 2018 at 10:00 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.

THE MOTION IS FOR:

1. An order (the “**Liquidation Process Order**”), substantially in the form of the draft order located at tab 4 of the Motion Record:
 - a) approving the consulting agreement (the “**Consulting Agreement**”) between the NW Canada Entities and SB360 Capital Partners LLC (the “**Consultant**”) in the form attached as **Exhibit “L”** to the Affidavit of Ralph Schipani sworn April 6 , 2018 (the “**Schipani Affidavit**”) , a copy of which will also be appended to the First Report (the “**First Report**”) of Richter Advisory Group Inc. (“**Richter**”), in its capacity as the

Proposal Trustee of the NW Canada Entities (the “**Proposal Trustee**”), and the transactions contemplated thereunder;

- b) approving the sale guidelines (the “**Sale Guidelines**”) in the form attached as Schedule A to the Liquidation Process Order;
- c) authorizing NW Canada LP, with the assistance of the Consultant, to conduct a liquidation sale in accordance with the Consulting Agreement, the Liquidation Process Order, and the Sale Guidelines;
- d) authorizing and directing the NW Canada Entities to take any and all actions as may be necessary or desirable to implement the Consulting Agreement and each of the transactions contemplated therein;

2. An order (the “**Administration Order**”), substantially in the form of the draft order located at tab 5 of the Motion Record:

- a) extending the time for filing a proposal (the “**Proposal Period**”) pursuant to s. 50.4(9) of the *Bankruptcy and Insolvency Act*, RSC 1983, c B-3, as amended (the “**BIA**”);
- b) approving the substantive consolidation of the NW Canada Entities’ Proposal Proceedings (as hereinafter defined) and authorizing and authorizing the Proposal Trustee of the consolidated Proposal Proceedings of the NW Canada Entities to administer the Proposal Proceedings as if the proceedings were a single proceeding for the purpose of carrying out its duties and responsibilities as a proposal trustee under the BIA with respect to the administration of proposal proceedings generally;
- c) authorizing the Applicants to continue using the Cash Management System (as defined and described below) currently in place;
- d) approving the D&O Charge (as defined and described below) in the amount of \$700,000¹;
- e) approving the Administration Charge (as defined and described below) in the amount of \$750,000;

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- f) approving the key employee retention agreement (the “KERA”), a copy of which will be attached as a confidential appendix to the First Report and approving the KERA Charge (as defined and described below);
 - g) sealing the KERA and the Comparative Analysis (as defined below), copies of which will be attached as confidential appendices to the First Report; and
3. such other relief as the Court may deem appropriate.

THE GROUNDS FOR THE MOTION ARE:

Overview of the NW Canada Entities’ Operations

4. The NW Canada Entities are wholesalers and retailers of Nine West brand footwear and accessories in Canada. The NW Canada Entities are also the exclusive wholesalers of various brands of women’s apparel, jewellery, handbags and women’s footwear in Canada. The NW Canada Entities are indirect wholly-owned subsidiaries of U.S. parent companies whose ultimate parent is Jasper Parent LLC (the “NW U.S. Entities”, and, collectively with the NW Canada Entities, the “NW Entities”);
5. Jones Canada is a private company incorporated under the *Ontario Business Corporations Act*, R.S.O. 1990, c. B. 16 (the “OBCA”). Jones Canada is the general partner of NW Canada LP, an Ontario limited partnership and carries on no other business aside from being the general partner of NW Canada LP;
6. The NW Canada Entities acquired their business from Sherson Group Inc. (“Sherson”) in 2015, which was the Canadian wholesaler and retailer of Nine West merchandise for nearly 30 years. As a result of poor financial performance, on June 29, 2015, Sherson filed a Notice of Intention to Make a Proposal (the “NOI”) under section 50.4(1) of the BIA. On August 20, 2015, this Court approved the sale of substantially all of Sherson’s business and assets to NW Canada LP, which sale closed in August 2015;
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Sherson in 2015. The NW Canada Entities are the exclusive distributors in Canada of women's footwear and accessories bearing certain trademarks owned by the NW U.S. Entities;

8. As summarized below, since 2015, the NW Canada Entities have been receiving financial support from the NW U.S. Entities in order to continue the Canadian retail and wholesale operations. The NW Canada Entities have attempted to revitalize the Nine West brand since the Sherson acquisition, restructure their operations and downsize their Canadian footprint to reach manageable and self-sufficient operations, including closing a number of Canadian stores. However, these efforts have been unsuccessful;

The NW Canada Entities' Indebtedness to the NW U.S. Entities

9. The largest secured creditor of the NW Canada Entities are certain of the NW U.S. Entities. Since the purchase of the business from Sherson in 2015, the NW U.S. Entities continually funded the shortfall in Canadian operations. In total, such funding totalled in excess of \$40 million as of April 6, 2018;

10. In the fall of 2017, the NW Canada Entities sought and obtained additional financing on a secured basis from the NW U.S. Entities. This financing was critical as it permitted the NW Canada Entities to meet their obligations and continue operations;

11. On October 18, 2017, NW Canada LP issued two interest-bearing revolving inter-company notes in favour of two U.S. entities (collectively, the "**Promissory Notes**"): a note in favour of Nine West Management Service LLC in the principal amount of \$2 million and a note in favour of Nine West Holdings Inc. in the principal amount of \$23 million;

12. As security for NW Canada LP's obligations under the Promissory Notes, NW Canada LP provided general security agreements and hypothecs to Nine West Management Service LLC and Nine West Holdings Inc. (collectively, the "**Intercompany Security**");

13. At the time of the swearing of the Schipani Affidavit, the estimated balances of unsecured intercompany financing from the Nine West U.S. entities (not including March 2018 advances) total approximately US \$12,465,000 and secured intercompany financing total approximately US \$1,583,000;

The NW Entities' Financial Difficulties and Commencement of the Chapter 11 Proceedings

14. Unfortunately, for the last several years, the NW Entities have experienced a consistent decline in the financial performance of their Canadian and U.S. operations, caused by a confluence of factors, including unfavourable retail market trends, changing consumer preferences, and inventory and design choices that did not align with consumer preferences. Attempts to revitalize the Nine West and associated brands have failed in both Canada and the U.S.;

15. On April 6, 2018, the NW U.S. Entities commenced insolvency proceedings under Chapter 11 of the U.S. Bankruptcy Code (the "**Chapter 11 Proceedings**"). The Proposal Proceedings and the Chapter 11 Proceedings are independent processes. The NW Canada Entities are not applicants in the Chapter 11 Proceedings, and no recognition orders are being sought in Canada with respect to the Chapter 11 Proceedings. The Canadian NW Entities are neither borrowers nor guarantors of the debt of the NW U.S. Entities, and are not borrowers under the proposed U.S. debtor-in-possession facility in the Chapter 11 Proceedings;

16. The Chapter 11 Proceedings contemplate a sale of the NW U.S. Entities' intellectual property and certain working capital assets, but specifically exclude the Canadian operations. The extensive marketing process undertaken by NW U.S. Entities prior to the commencement of the Chapter 11 Proceedings did not generate any interest in the sale of the NW Canada Entities' assets;

17. With the commencement of the Chapter 11 Proceedings, the NW Canada Entities have lost access to critical funding from the NW U.S. Entities without which they are unable to continue operations. In the circumstances, the NW Canada Entities believe that the best way to maximize recoveries for their stakeholders is through a supervised and orderly liquidation process and wind-down of their operations;

The NOI Proceedings

18. On April 6, 2018, Jones Canada and NW Canada LP each filed an NOI under the BIA and commenced proposal proceedings (the "**Proposal Proceedings**"). The NOI filings were

necessary to provide stability to the NW Canada Entities and permit the implementation of the proposed liquidation, which is further described below;

19. On February 26, 2018, Richter was engaged as financial advisor to the NW Canada Entities. Following the filings of the NOI's, Richter was appointed as Proposal Trustee in the Proposal Proceedings;

Liquidator Selection Process

20. In March 2018, Richter commenced a request for proposal ("**RFP**") process to solicit proposals from third party liquidators to assist the NW Canada Group in the orderly liquidation of the inventory, furniture, fixtures and other store equipment through the conduct of "going-out-of-business" or similar themed sales (the "**Liquidation Sale**");

21. Richter contacted approximately seven potential liquidators with prior experience handling large-scale liquidations, including large-scale liquidations in Canada, informing them of the RFP process and providing them with a form of non-disclosure agreement (the "**NDA**"). Subsequently, seven parties executed NDAs and were provided with access to a virtual data room which contained relevant financial and operation data concerning the inventory and furniture, fixtures and equipment ("**FF&E**"), as well as a draft of the Consulting Agreement. Richter and the NW Canada Entities answered questions and provided follow-up information to the liquidators upon their request;

22. Three proposals were received by the bid deadline. Richter prepared a comparative analysis of the proposals (the "**Comparative Analysis**"), which is attached as a confidential appendix to the First Report. Following consideration of all of them, the NW Canada Entities, in consultation with Richter, selected SB360 as the successful bidder, or Consultant. The Consultant has extensive experience conducting retail liquidations, including inventory dispositions for a wide variety of former retailers;

The Consulting Agreement and Sale Guidelines

23. On April 3, 2018, the Consultant and the NW Canada Entities agreed to the final form of an agreement outlining the proposed liquidation of the NW Canada Entities' inventory (the

“**Consulting Agreement**”). The Consulting Agreement contemplates the Liquidation Sale will commence between April 14, 2018 and April 21, 2018 and will conclude no later than June 30, 2018, or such other dates agreed to by the NW Canada Entities and the Consultant. The Sale Guidelines provide, among other things, that subject to certain exceptions, the Liquidation Sale shall be conducted in accordance with the terms of the applicable leases for each of the closing stores;

24. The Consulting Agreement provides that the Consultant will act as an exclusive independent consultant for the purpose of advising the NW Canada entities with respect to the sale of the inventory and FF&E located at the retail store locations. The Consulting Agreement provides that NW Canada is responsible for all expenses incurred in connection with the sale of inventory and FF&E at the retail locations, including supervisor costs and advertising and sign expenses, subject to a budget to be agreed upon by the NW Canada Entities and the Consultant;

25. The Consultant will be paid a fee equal to 1.25% of the gross proceeds of the sale of inventory and 15% of the gross receipts (net of sales tax) from all sales or other dispositions of FF&E. In addition, the NW Canada Entities will reimburse the Consultant for the Consultant’s reasonable out of pocket expenses incurred in connection with the sale or disposition of the FF&E which expenses have been previously approved in writing by the NW Canada Entities and the Proposal Trustee;

26. Pursuant to the Consulting Agreement, the Consultant will provide the NW Canada Entities with a variety of services with respect to the liquidation, including providing full-time supervisors to supervise and conduct the liquidation, and recommending and implementing appropriate point of purchase, point of sale and external advertising to effectively sell the inventory and FF&E;

27. The NW Canada Entities believe that engaging a professional liquidator to undertake a sale of the inventory and FF&E in the closing stores in the closing retail locations will produce better results for the NW Canada Entities than an attempt to sell such inventory and FF&E without professional assistance. The Consultant has extensive experience conducting retail liquidations, including inventory dispositions for a wide variety of former retailers, and is

experienced in dealing with the type of landlord and customer concerns that may arise in the type of process contemplated in the liquidation;

28. The proposed Liquidation Sale under the Liquidation Process Order, Sales Guidelines and Consulting Agreement is the best way to maximize the value of the NW Canada Entities' inventory and FF&E for the benefit of all of the NW Canada Entities' stakeholders. The NW Canada Entities' board of directors and management believe the liquidation is a fair and reasonable process for the sale of the assets. The Liquidation Process Order and Sale Guidelines are supported by the NW U.S. Entities and the Proposal Trustee;

D & O Charge, Administration Charge and KERA Charge

29. Immediately prior to the commencement of the Proposal Proceedings, the NW Canada Entities set aside funds in trust sufficient to cover the NW Canada Entities' GST/HST, employee source deduction, payroll and accrued vacation pay liabilities (the "D&O Trust"). As a result, the NW Canada Entities have funds sufficient to make all required payments in respect of employee wages, vacation pay and benefits to their employees, as well as outstanding obligations of amounts required to be remitted to governmental authorities through source deductions or otherwise. The creation of the D&O Trust was necessary to ensure the continued participation of the NW Canada Entities' directors and officers in the Proposal Proceedings;

30. To ensure that the liquidation is carried out successfully and value is maximized for the NW Canada Entities' Creditors, the Applicants require the continued participation of their respective directors, officers, managers and employees. The directors and officers of the Applicants have indicated that, due to the potentially significant personal exposure arising going forward, they cannot continue their service with the Applicants unless they obtain a charge all of the Applicants' property, assets and undertakings (the "Property") in the amount of \$700,000 (the "D&O Charge"), ranking in second priority on the Property. The D&O Charge will allow the Applicants to continue to benefit from the efforts and knowledge of their directors and officers. The Applicants and the Proposal Trustee believe the D&O Charge is reasonable in the circumstances;

31. The NW Canada Entities seek an order of this court granting a charge over the Property securing the fees and disbursements of counsel to the NW Canada Entities, the Proposal trustee and its counsel (the "**Administration Charge**"), ranking in first priority on the Property . The professionals whose fees are to be secured by the Administration Charge have taken on, and will continue to take on, a critical role in these proceedings and there will be no unwarranted duplication of roles. The NW Canada Entities have worked with the Proposal Trustee to estimate the proposed quantum of the Administration Charge and believe it to be reasonable and appropriate in the circumstances;

32. In an attempt to ensure the continued participation of employees identified as key employees during the Proposal Proceedings, the NW Canada Entities are seeking approval of KERA entered into with those employees. The NW Canada Entities are seeking a charge on the Property in priority to all other charges in the maximum amount of the KERA's value (the "**KERA Charge**"), ranking in third priority on the Property, to secure the obligations under the KERA. The KERA and the KERA Charge are necessary in order to complete the Liquidation Sale contemplated by the Liquidation Process Order and Consulting Agreement and ensure the success of the Proposal Proceedings;

Substantive Consolidation

33. The relationships among the NW Canada Entities are closely intertwined. Jones Canada is the general partner of NW Canada LP and carries on no other business aside from being the general partner of NW Canada LP. The NW Canada Entities share common management and administrative support and have parallel loan obligations pursuant to the Promissory Notes. The proposed Liquidation Sale involves the sale of all of the property of the NW Canada Entities;

34. The substantive consolidation of the NW Canada Entities is appropriate, as it would allow the Proposal trustee to avoid performing certain separate actions in respect of each of Jones Canada and NW Canada LP, such as issuing reports of the Proposal Trustee, making filing, advertising and distributing all filings and notices required under the BIA, and conducting separate meetings for the voting on a proposal and determining and advising the creditors of Jones Canada and NW Canada LP in the making of distributions. Preventing the

duplication of these efforts is in the best interest of the NW Canada Entities' stakeholders as it will reduce costs;

35. The largest creditors of the NW Canada Entities, NW U.S. Entities, have no objections to the proposed consolidation. The proposed consolidation will not result in any prejudice to the creditors of the two entities;

Sealing Orders

36. The Comparative Analysis contains commercially sensitive information, the disclosure of which would cause harm to the Applicants and their stakeholders if released. Further, the KERA contains sensitive personal information about certain of the Applicant's employees. As a result, the Applicants are seeking orders sealing the Comparative Analysis and the KERA;

Stay Extension

37. The Consulting Agreement contemplates the Liquidation Sale to commence between April 7, 2018 and April 21, 2018 and conclude no later than June 30, 2018, or such other dates agreed to by the NW Canada Entities and the Consultant. Leading up to this date, the NW Canada Entities, the Consultant, Proposal Trustee and their advisors will be working together to complete the Liquidation Sale, deal with employees, suppliers, customers and other stakeholder issues, and otherwise advance the Proposal Proceedings. A 45-day extension of the Proposal Period would give the NW Canada Entities the time needed to advance the Liquidation Sale and work on the terms of a proposal for consideration of the NW Canada Entities' creditors. No creditors of the NW Canada Entities would be prejudiced by this extension. The cashflow statement prepared by the Proposal Trustee shows that the Applicants will have sufficient liquidity to carry out the liquidation during the stay extension;

General

38. Sections 50.4 (9), 64.1, 64.2, 65.13, 69.1 and 183 of the BIA and the other provisions of the BIA;

39. 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;

40. Section 137(2) of the *Courts of Justice Act*, R.S.O. 1990, c C. 43; and

41. Such further grounds as counsel may advise and this Court may see fit.

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

1. The Schipani Affidavit, and the exhibits attached thereto;
2. The First Report of the Proposal Trustee; and
3. Such further and other materials as counsel may advise and this Court may permit.

April 6, 2018

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Lawyers for the Applicant

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF JONES
CANADA, INC., A CORPORATION WITH A HEAD OFFICE IN THE CITY OF TORONTO IN THE
PROVINCE OF ONTARIO

Estate/Court File No. 31-2363758

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto

NOTICE OF MOTION
(Re Approval of the Liquidation Process et al)

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TAB 3

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Estate/Court File No. 31-2363758

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF JONES
CANADA, INC., A CORPORATION WITH A HEAD OFFICE IN THE CITY OF TORONTO
IN THE PROVINCE OF ONTARIO**

Applicant

Estate/Court File No. 31-2363759

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF NINE
WEST CANADA LP, A PARTNERSHIP WITH A HEAD OFFICE IN THE CITY OF
TORONTO IN THE PROVINCE OF ONTARIO**

Applicant

**AFFIDAVIT OF RALPH SCHIPANI
(Sworn April 6, 2018)**

I, RALPH SCHIPANI, of the City of New York, in the State of New York, MAKE OATH
AND SAY:

1. I am the President of the applicants, Jones Canada, Inc. ("**Jones Canada**") and Nine West Canada LP ("**NW Canada LP**", and together with Jones Canada, the "**NW Canada Entities**" or the "**Applicants**"). I am also Interim Chief Executive Officer of Nine West Holdings, Inc. and certain of its affiliates and subsidiaries, which are referred to herein as the NW U.S. Entities and further described below.

2. As a result of my roles with the NW Canada Entities, I have knowledge of the matters to which I hereinafter depose. I have also reviewed the books and records of the NW Canada Entities and have spoken with certain of the directors, officers and/or employees of the NW Canada Entities, as necessary and applicable, and where I have relied upon such information, I have set forth the source and believe such information to be true.

3. This affidavit is sworn in support of a motion sought by the NW Canada Entities seeking:

- (a) An order (the "**Liquidation Process Order**"), substantially in the form of the draft order located at tab 4 of the Motion Record:
 - i. approving the consulting agreement (the "**Consulting Agreement**") between the NW Canada Entities and SB360 Capital Partners LLC (the "**Consultant**") in the form attached as **Exhibit "L"** to this affidavit (and which I understand from Richter Advisory Group Inc. ("**Richter**"), in its capacity as the Proposal Trustee of the NW Canada Entities (the "**Proposal Trustee**"), will also appended to the First Report of the Proposal Trustee that is to be filed (the "**First Report**")), and the transactions contemplated thereunder;
 - ii. approving the sale guidelines (the "**Sale Guidelines**") in the form attached as Schedule A to the Liquidation Process Order;
 - iii. authorizing NW Canada LP, with the assistance of the Consultant, to conduct a liquidation sale in accordance with the Consulting Agreement, the Liquidation Process Order and the Sale Guidelines; and
 - iv. authorizing and directing the NW Canada Entities to take any and all actions as may be necessary or desirable to implement the Consulting Agreement and each of the transactions contemplated therein;
- (b) An order (the "**Administration Order**"), substantially in the form of the draft order located at tab 5 of the Motion Record:
 - i. extending the time for filing a proposal (the "**Proposal Period**") pursuant to s. 50.4(9) of the *Bankruptcy and Insolvency Act*, RSC 1983, c B-3, as amended (the "**BIA**") to June 20, 2018;
 - ii. approving the substantive consolidation of the NW Canada Entities' Proposal Proceedings (as hereinafter defined) and authorizing the

Proposal Trustee of the consolidated Proposal Proceedings of the NW Canada Entities to administer the Proposal Proceedings as if the proceedings were a single proceeding for the purpose of carrying out its duties and responsibilities as a proposal trustee under the BIA with respect to the administration of proposal proceedings generally;

- iii. authorizing the Applicants to continue using the Cash Management System (as defined and described below) currently in place but for repayment of any intercompany amounts;
- iv. approving the D&O Charge (as defined and described below) in the amount of \$700,000¹;
- v. approving the Administration Charge (as defined and described below) in the amount of \$750,000;
- vi. approving the key employee retention agreement (the “KERA”), a copy of which I understand from the Proposal Trustee will be attached as a confidential appendix to the First Report, and approving the KERA Charge (as defined and described below);
- vii. sealing the KERA and the Comparative Analysis (as defined below), copies of which I understand will be attached as confidential appendices to the First Report, pending further order of the Court; and

(c) such other relief as the Court may deem appropriate.

CANADIAN AND U.S. RESTRUCTURING PROCEEDINGS

4. On April 6, 2018, restructuring proceedings were commenced in respect of the NW Canada Entities and the Nine West U.S. Entities. Each of the NW Canada Entities filed a Notice of Intention to File a Proposal (“NOI”) under the BIA (the “**Proposal Proceedings**”). The NW

¹ All references to currency in this Affidavit are to Canadian dollars unless stated otherwise.

U.S. Entities filed for protection under Chapter 11 of the U.S. Bankruptcy Code (the “**Chapter 11 Proceedings**”).

5. The Proposal Proceedings and the Chapter 11 Proceedings are independent processes. The NW Canada Entities are not applicants in the Chapter 11 Proceedings, and no recognition orders are being sought in Canada with respect to the Chapter 11 Proceedings. As discussed further below, the Canadian NW Entities are neither borrowers nor guarantors of the debt of the NW U.S. Entities, and are not borrowers under the proposed U.S. debtor-in-possession facility in the Chapter 11 Proceedings and no relief is being sought in respect of the NW Canada Entities in the U.S.

OVERVIEW OF THE NW CANADA ENTITIES’ OPERATIONS AND ASSETS

Introduction

6. The NW Canada Entities are wholesalers and retailers of Nine West brand footwear and accessories in Canada. Pursuant to a series of distribution agreements which are further described below, the NW Canada Entities are also the exclusive wholesalers of various brands of women’s jewellery, handbags and women’s footwear in Canada. The NW Canada Entities are indirect wholly-owned subsidiaries of U.S. parent companies whose ultimate parent is Jasper Parent LLC (collectively, the “**NW U.S. Entities**”, and, together with the NW Canada Entities, the “**NW Entities**”). A chart showing the corporate structure of the NW Canada Entities and their position in the NW Entities’ organization is attached hereto as **Exhibit “A”**.

7. Through a series of transactions in 2014, Sycamore Partners L.P. and certain of its affiliates (collectively, “**Sycamore**”) acquired the Nine West U.S. Entities. In 2015, the Nine West U.S. Entities incorporated Canadian subsidiaries and acquired what is now the NW Canada Entities’ business from Sherson Group Inc. (“**Sherson**”), which was the Canadian wholesaler and retailer of Nine West merchandise for nearly 30 years. Through this acquisition, the NW Canada Entities became a part of the NW Entities’ group.

8. For the last several years, the NW Entities have experienced a consistent decline in the financial performance of their Canadian and U.S. operations relating to Nine West and other brands. This decline was caused by a confluence of factors, including unfavourable retail market trends, changing consumer preferences, and inventory and design choices that did not

align with consumer preferences. As outlined further below, attempts to revitalize the Nine West brand and associated brands proved challenging in both Canada and the U.S.

9. With the commencement of the Chapter 11 Proceedings (which is described in greater detail below), the NW Canada Entities have lost access to critical funding without which they are unable to continue operations. The Chapter 11 Proceedings contemplate a sale of the NW U.S. Entities' intellectual property and certain working capital assets. The extensive marketing process undertaken by the NW U.S. Entities did not generate any interest in the NW Canada Entities' assets. In the circumstances, the NW Canada Entities believe that the best way to maximize recoveries for their stakeholders is through a supervised and orderly liquidation process and wind-down of their retail operations.

10. It is currently contemplated that the Canadian wholesale operations will also be winding down as part of the Proposal Proceedings and the Chapter 11 Proceedings. A final decision relating to the Canadian wholesale operations is not known at this time but will become definitive upon the completion of the U.S. sales process to be completed within the Chapter 11 Proceedings. In the interim, in order to monetize the current value of the NW Canada Entities for existing creditors, the inventory previously purchased for wholesale distribution will be monetized either through Canadian wholesale channels or through liquidation via retail distribution channels with the assistance of the Consultant.

Corporate Structure

11. Jones Canada is a private company incorporated under the Ontario *Business Corporations Act*, R.S.O. 1990, c. B. 16 (the "OBCA") whose registered office is located at Suite 100, 1446 Don Mills Road, Toronto, Ontario. Jones Canada is the general partner of NW Canada LP, a limited partnership whose limited partner is Jones Apparel Group Canada ULC, a Nova Scotia unlimited liability corporation.

12. Jones Canada carries on no other business aside from being the general partner of NW Canada LP.

Historical Overview

13. As noted, the NW Canada Entities acquired their business from Sherson in 2015, which was the Canadian wholesaler and retailer of Nine West merchandise for nearly 30 years. As a result of poor financial performance, Sherson filed a NOI under section 50.4(1) of the BIA on June 29, 2015.

14. The NW U.S. Entities were involved in the Sherson NOI proceedings in their capacity as the licensor of Nine West and other brands to Sherson and were Sherson's largest creditor at the time of the filing. In the face of an application to place Sherson into receivership by one of its secured creditors, it was ultimately determined that in order to maintain the Nine West brand in Canada, the NW U.S. Entities would acquire the assets of the Sherson operations and continue the retail and wholesale operations in Canada.

15. On August 20, 2015, this Court approved the sale of substantially all of Sherson's business and assets to NW Canada LP, which sale closed on August 21, 2015. The consideration from the sale was insufficient to satisfy all of Sherson's secured indebtedness or support a distribution to its other creditors. As Sherson failed to present a proposal to its unsecured creditors in its NOI proceedings, Sherson was deemed to have made an assignment in bankruptcy on November 19, 2015.

License Arrangements with NW U.S. Entities

16. Since their founding in 1970, the NW U.S. Entities have acquired numerous licenses or trademarks for several well-known brands and currently operate several major business lines. These are described in greater detail in my Declaration in support of the NW U.S. Entities' Chapter 11 petitions (the "**US First Day Declaration**"), a final copy of which I understand will be appended to the First Report and will be posted to the Proposal Trustee's website.

17. The NW U.S. Entities licence their brands to U.S.-based and international licensees in over 60 countries, including Canada. Pursuant to a 2004 Distribution and Licence Agreement between Sherson Marketing Group and certain of the NW U.S. Entities (the "**Sherson Licence Agreement**"), which was assumed by the NW Canada Entities upon their acquisition of Sherson's assets in 2015, the NW Canada Entities are the exclusive distributors in Canada of women's footwear and accessories bearing certain trademarks owned by the NW U.S. Entities,

including Nine West®, Bandolino® and Anne Klein®. The NW Canada Entities do not own their own trademarks.

18. In addition, pursuant to a series of Distribution and Buying Agent Agreements between Sherson and several third party licensors, some of which agreements were assigned to the NW Canada Entities upon the Sherson asset acquisition in 2015, the NW Canada Entities are wholesalers of various brands of women's jewellery, handbags and footwear in Canada. As further outlined below, the NW Canada Entities sell this merchandise on a wholesale basis to various department stores, including The Hudson's Bay Company.

Sourcing and Manufacturing

19. The NW U.S. Entities design merchandise in-house and contract with various foreign manufacturers for inventory which is then available throughout the NW Entities, including the NW Canada Entities.

Internal Supply Chain

20. As noted, the NW Canada Entities purchase the inventory needed for their operations from the NW U.S. Entities, which source the merchandise from third party manufacturers. The NW Canada Entities pay the NW U.S. Entities for the cost of the merchandise purchased from overseas manufacturers. Inventory charges, such as license, royalty or design fees, have historically been charged on the merchandise as further described below. The merchandise purchased by the NW U.S. Entities which is sold to the NW Canada Entities is shipped directly from the overseas manufacturers to Vancouver, British Columbia. From there, the merchandise is shipped by rail to a distribution centre located in Toronto, Ontario, which is owned and operated by a third party logistics provider. The third party provider sorts the merchandise and delivers it to Canadian Nine West retail locations, as well as department stores with which the NW Canada Entities have contractual wholesale arrangements.

21. At the time of the 2015 purchase from Sherson, the NW U.S. Entities (as suppliers and licensors of goods to Sherson for the Canadian operations) were owed approximately \$17 million by Sherson. These amounts were assumed by the NW Canada Entities upon their acquisition of the Sherson business, however the majority of the amount was written down following the initial acquisition. Thereafter, the NW U.S. Entities initially continued to charge

license fees at the rate of 7% found in the Sherson License Agreement which had been assumed. As a result of limited resources within Canada, the royalty rates were altered and were instead charged on a “cost plus 20%” commissions basis commencing in January 2016. Thereafter, the royalty arrangement was amended internally to a design fee basis, with varying rates based on the brand.

22. Since purchasing the Sherson operations, a total of approximately \$4.545 million was charged by the NW U.S. Entities by way of licence-related charges (royalties, commissions and/or design fees) on branded product sold by the NW Canada Entities. These inventory charges were accrued, but in many cases the NW Canada Entities were unable to pay the total amounts, and as such they were accounted for within the intercompany amounts owing to the NW U.S. Entities, as outlined below. The Sherson License Agreement, which had been assumed, was never terminated or formally amended to reflect the internal change in licensing fees, which the NW U.S. Entities had agreed to in order to attempt to maintain the Canadian operations.

Customs and Duties

23. The NW Canada Entities use customs brokers to handle duties, shipping charges and other related expenses. The NW Canada Entities also maintain customs bonds as security for the payment of duties on the merchandise received in the amount of \$400,000. As of the date of filing, the NW Canada Entities owe approximately \$900,000 in duties for merchandise that has arrived in Vancouver.

Retail and Wholesale operations

24. The NW Canada Entities operate 35 retail locations across Canada, of which 22 are located in Ontario. The NW Canada Entities also have stores in Manitoba, Alberta, British Columbia, Quebec and Nova Scotia. All of the NW Canada Entities’ retail locations are leased. Approximately 75% of the NW Canada Entities’ total revenues is derived from their retail operations. A chart showing the store locations by province is attached hereto as **Exhibit “B”**.

25. The NW Canada Entities have wholesale arrangements to supply branded footwear and accessories with several large retailers including The Hudson’s Bay Company, Nordstrom Rack, Winners, Saks Off Fifth, the Designer Shoe Warehouse, the Shoe Company, and Amazon.

Approximately 25% of the NW Canada Entities' total revenues is derived from their wholesale operations.

26. The NW Canada Entities will be liquidating their wholesale inventory and winding down their wholesale operations as part of the Proposal Proceedings. A final conclusion on whether the wholesale operations in Canada will be carried on by another entity will be reached once the sales process being undertaken in the Chapter 11 Proceedings is completed. As described further below, Nine West Holdings Inc. has entered into an agreement to sell the Nine West and Bandolino brands to Authentic Brands Group LLC ("ABG") with Marc Fisher Footwear as ABG's operating partner. Currently, ABG does not intend to continue wholesale operations on the current Canadian platform. The transaction is subject to a bidding process and approval by the U.S. Bankruptcy Court. If an alternative buyer is identified in the Chapter 11 Proceedings, the alternative buyer has the right to determine whether it wants to continue wholesale operations in Canada. The NW Canada Entities will update its Canadian wholesalers as and when additional information is available during the Chapter 11 Proceedings.

Properties and Facilities

27. In addition to the NW Canada Entities' 35 retail locations, the NW Canada Entities have a leased head office located in Toronto, Ontario, which employs managerial and administrative staff. The NW Canada Entities also make use of a distribution centre in Toronto, which is owned and operated by a third party logistics provider.

Employees

28. As of the date of swearing this affidavit, Nine West Canada LP employed approximately 332 people, of which 225 are employed on a part-time basis, and all of whom are non-unionized. Of these employees, approximately 35 make up senior management and administrative office positions and 295 are retail sales staff. The NW Canada Entities do not sponsor any pension plans for their employees.

Cash Management System

29. In the ordinary course of their business, the NW Canada Entities use a centralized cash management system (the “**Cash Management System**”) to, among other things, collect funds and pay expenses associated with their operations.

30. The NW Entities maintain bank accounts in both Canada and the U.S. for their respective Canadian and U.S. operations. Most of the NW Entities’ North American accounts are with Bank of America (“**BOA**”) and Wells Fargo (“**Wells Fargo**”). The NW Canada Entities’ bank accounts are in the name of NW Canada LP. A chart outlining the NW Canada Entities’ BOA account structure is attached hereto as **Exhibit “C”**. With the exception of one account, the accounts are in Canadian dollars. There are separate accounts for wholesale accounts receivable deposits, daily credit card deposits and daily cash deposits, and the funds from those accounts are swept into a Canadian operating account. Disbursements for operating expenses and payroll are made from separate disbursement accounts, and the funds used to make these disbursements are sourced from the operating account. Further, there is a standalone disbursement account in U.S. dollars, which is used to pay U.S. invoices, and was also the account into which the NW U.S. Entities advanced funds to the NW Canada Entities pursuant to the intercompany financing, described further below.

31. The NW Canada Entities will continue to operate the existing cash management process, with one modification: where cash sweeps were sometimes made from NW Canada LP to the NW U.S. Entities, these sweeps will cease unless approved by the Proposal Trustee.

THE NW CANADA ENTITIES’ LIABILITIES

Intercompany Indebtedness

32. The acquisition of the Nine West business from Sherson in 2015 was completed on an urgent basis and it was not possible for the NW Canada Entities to implement third party secured financing for the Canadian operations. Thus, portions of the initial purchase price and future operating costs were funded to the NW Canada Entities on an intercompany basis through various NW U.S. Entities.

33. Intercompany financing has continued to be utilized since the 2015 Sherson acquisition to assist with Canadian operations. Attempts were made post 2015 to secure outside financing from traditional lenders, including NW U.S. Entities' third party lenders; however, these attempts were unsuccessful.

34. The operating costs of the NW Canada Entities funded by intercompany financing included inventory purchases initiated by the NW U.S. Entities on behalf of the Canadian entities, licence-related charges / design assist costs relating to the NW U.S. Entities and other branded merchandise acquired by the NW Canada Entities and various other operating costs such as travel and insurance. Partial payments were historically made by the NW Canada Entities to the U.S. intercompany lenders. From the 2015 Sherson asset acquisition to date, intercompany funding totalled in excess of \$40 million.

35. In the fall of 2017, the NW Canada Entities sought and obtained additional financing on a secured basis from the NW U.S. Entities. This financing was critical as it permitted the NW Canada Entities to meet their obligations and continue operations. On October 18, 2017, NW Canada LP issued two interest-bearing revolving inter-company notes in favour of two U.S. entities (collectively, the "**Promissory Notes**"): a note in favour of Nine West Management Service LLC ("**NW Management**") in the principal amount of \$2 million and a note in favour of Nine West Holdings Inc. ("**NW Holdings**") in the principal amount of \$23 million. Copies of the NW Management note and the NW Holdings note are attached hereto as **Exhibits "D"** and **"E"**, respectively. Intercompany financing continued on a secured basis thereafter, with in excess of \$6 million of secured financing being provided post October 2017.

36. As security for NW Canada LP's obligations under the Promissory Notes, NW Canada LP provided general security agreements and hypothecs to NW Management and NW Holdings (collectively, the "**Intercompany Security**"), copies of which are attached hereto as **Exhibits "F"** and **"G"**, respectively. The Intercompany Security was registered in the personal property registration systems of Ontario, Manitoba, British Columbia, Nova Scotia and Quebec, as well as Alberta's real property registration system.

37. Partial repayments have been made toward the unsecured and secured intercompany financing historically since 2015. Upon the closing of the March financial statements for the NW

Entities, updated intercompany balances will be available and provided to the Proposal Trustee. At the time of the swearing of this Affidavit, the estimated balances of unsecured intercompany financing from the Nine West U.S. entities (not including March 2018 advances) total approximately US \$12,465,000 and secured intercompany financing total approximately US \$1,583,000. While historically repayments of intercompany financing had occurred through a sweep of the Canadian accounts, all repayments of intercompany amounts have ceased.

PPSA Registrations

38. A search of the Personal Property Security Registration System in Ontario (“PPRS”) as of March 20, 2018 shows that the only registrations against the NW Canada Entities are NW Management and NW Holdings on account of the Intercompany Security, and equipment lessors. A copy of the PPRS search results in Ontario for the NW Canada Entities is attached hereto as **Exhibit “H”**. As outlined below, the Applicants will be seeking the D&O Charge, Administration Charge and KERA Charge, all of which will rank subordinate to the security interests of registered equipment lessors not receiving notice of this motion.

Employee Liabilities

39. As noted above, as of April 4, 2018, the NW Canada Entities employed 332 employees in Canada. The NW Canada Entities are current on all required payments in respect of employee wages, vacation pay for store employees and benefits to their employees, as well as outstanding obligations of amounts required to be remitted to governmental authorities through source deductions or otherwise. There are vacation pay accruals totalling approximately \$85,000 for head office staff and a number of outstanding obligations to employees relating to outstanding commissions, benefits and expenses, totalling approximately \$30,000.

GST/HST Liabilities

40. Through their retail operations, the NW Canada Entities are net payors of GST/HST. Returns are filed in the ordinary course one month in arrears of operations. The February GST/HST return was filed and the obligations owing as reflected in the return totalling \$308,000 have been paid. The March GST/HST return is due to be filed in April.

Other Indebtedness

41. I understand from a review of the NW Canada Entities' corporate records that in addition to the liabilities described above, NW Canada LP and Jones Canada have liabilities to unsecured creditors totalling approximately \$1,300,000.

FINANCIAL DIFFICULTIES

42. The NW Canada Entities have experienced declining financial performance since acquiring the Canadian Nine West business from Sherson in 2015. Despite the well-known and respected nature of the Nine West brand and the other brands sold by the NW Canada Entities through retail and wholesale channels, the NW Canada Entities have encountered a confluence of factors that have adversely affected their financial position. First, the NW Canada Entities, like the NW U.S. Entities, have faced unfavourable trends in the retail market, such as a change in consumer preferences away from branded apparel and decreased foot traffic due to a rising preference for online shopping. Second, the NW U.S. Entities made unfavourable inventory and design choices that did not align with consumer preferences and led to substantial losses in revenue generation from the sale of footwear, which losses were echoed in Canada. The investment hypothesis behind the Sherson acquisition in 2015 was initially to protect and maintain the Canadian operations and then attempt to revitalize the Nine West brand in Canada, but this did not happen.

43. Similarly, in the U.S., the 2014 leveraged buyout that led to the NW U.S. Entities' existing business operations and capital structure was not successful in turning the Nine West and associated brands around, and losses continued to accumulate since 2014 in respect of the Nine West brands. As a result, the NW U.S. Entities have commenced the Chapter 11 Proceedings and are unable to provide any additional funding to NW Canada Entities.

Current Financial Position

44. The NW Canada Entities' most current unconsolidated unaudited financial statements are for the fiscal year ended December 31, 2017. Copies of the NW Canada Entities' unconsolidated unaudited financial statements for the fiscal years ending December 31, 2016 and December 31, 2017, in CAD and USD, are attached as **Exhibit "I"** to this affidavit.

45. The financial statements show that the NW Canada Entities are insolvent. NW Canada LP's current and capital assets as of December 31, 2017 totalled US \$12,088,529 (CAD \$15,175,336) consisting of cash, accounts receivable, inventory, office supplies and equipment. NW Canada LP had total liabilities of USD \$17,893,085 (CAD \$22,462,089) as at this same date. Jones Canada carries on no other business aside from being the general partner of NW Canada LP and has no significant assets or liabilities aside from those arising as a result of it being a general partner of NW Canada LP.

46. The financial statements attached as **Exhibit "I"** show that the NW Canada Entities operated at a loss of USD \$7,463,667 (CAD \$9,881,296) in 2016 and USD \$4,020,022 (CAD \$4,950,470) in 2017.

47. These losses have been financed by the NW U.S. Entities.

48. When the Canadian operations were operated under Sherson, the operations were also uneconomic but were able to sustain themselves as a result of the failure to pay the inventory payables and licensing fees accruing and owing to the NW U.S. Entities. At the time of Sherson's demise in 2015, the payables to the NW U.S. Entities totalled in excess of \$17 million.

NW U.S. Entities' Financial Difficulties

49. In light of the unfavourable retail market, changing consumer preferences and design choices inconsistent with those preferences, the NW U.S. Entities experienced significant losses in the operations related to their Nine West footwear and handbag businesses for the last three years, and accumulated an overleveraged balance sheet with approximately US\$1.6 billion in funded debt obligations, a portion of which was set to mature in 2019. On March 15, 2018, approximately US\$18.6 million in aggregate interest payments were due under certain of the NW U.S. Entities' unsecured notes. The indentures governing these interest payments each permitted the NW U.S. Entities a 30-day "grace period" before the failure to make payment would mature into an "Event of Default" under such indentures. To preserve liquidity, the NW U.S. Entities entered into a grace period with respect to each of these interest payments while they entered into restructuring negotiations with their main secured and unsecured term loan lender groups.

50. As noted, on April 6, 2018, the NW U.S. Entities, including NW Management and NW Holdings, commenced the Chapter 11 Proceedings in the Southern District of New York. In conjunction with the Chapter 11 Proceedings, the NW U.S. Entities have ceased all retail operations and all store locations were closed prior to the commencement of the proceedings. The NW U.S. Entities' e-commerce and wholesale operations will continue as the stalking horse process described below is implemented.

51. Prior to the filing, the NW U.S. Entities undertook a comprehensive marketing process of their Nine West and Bandolino brands to potential strategic and financial buyers. In the spring of 2017, the NW U.S. Entities retained Lazard Frères & Co LLC ("**Lazard**") as investment banker, to assist in a review of all strategic alternatives. Further Consensus Advisors LLC ("**Consensus**"), an investment banker, was approached by a third party in April 2017 expressing interest in purchasing the Nine West brand. Concurrently with engaging in negotiations, with the assistance of Lazard, with the creditors of their secured and unsecured debt to gauge support regarding a potential restructuring of their debt, the NW U.S. Entities started reaching out to potential Nine West brand purchasers. The NW U.S. Entities through Consensus ultimately reached out to more than fifty strategic buyers regarding the potential sale of the Nine West brand. Twenty of these buyers either executed confidentiality agreements or otherwise participated in additional diligence under another party's confidentiality agreements. In the fall of 2017, the NW U.S. Entities engaged in constructive negotiations with one of these parties regarding the terms of an asset purchase agreement. These discussions, however, did not result in agreement on a definitive agreement. By January 2018, the NW U.S. Entities had made additional progress not just with the first potential purchaser but also with ABG, and determined, with the advice of their advisors, that entry into the letter of intent with ABG was in the best interests of the NW U.S. Entities and their stakeholders.

52. On January 17, 2018 the NW U.S. Entities agreed to a letter of intent with ABG, with Marc Fisher Footwear as ABG's operating partner, which provided ABG with the exclusive right to negotiate for the purchase of the Nine West, Bandolino and associated brands and certain of the working capital assets related thereto. These negotiations ultimately resulted in an asset purchase agreement between certain of the NW U.S. Entities and certain entities affiliated with ABG and Marc Fisher as operating partner (the "**Stalking Horse APA**") which

commits those entities to pay USD\$123 million for the intellectual property associated with the Nine West and Bandolino brands and USD \$77 million for inventory. The Stalking Horse APA sets a minimum price for the sale of the purchased assets and ensures the continued viability of the Nine West brand to consumers, and allows the NW U.S. Entities to leave the footwear business.

53. During this extensive marketing process in the U.S., no party expressed any interest in the Canadian operations or in continuing to license the Nine West brands to the NW Canada Entities. ABG expressly excluded the Canadian assets and liabilities from the Stalking Horse APA and is not prepared to license the brands to the NW Canada Entities once it acquires the trademarks. As such, continuing the NW Canada Entities as a going concern is not an option and the NW Canada Entities elected to conduct an orderly liquidation of their inventory and wind-down of operations to maximize value for their stakeholders.

54. The Stalking Horse APA does not provide for ongoing wholesale operations in Canada. If an alternative buyer is identified in the Chapter 11 Proceedings, the alternative buyer has the right to determine whether it wants to continue wholesale operations in Canada. The Proposal Trustee and the Court will be advised should this occur.

55. Contemporaneously with the commencement of the Chapter 11 Proceedings, the NW U.S. Entities are seeking court approval of bidding procedures related to the sale of the assets covered by the Stalking Horse APA. In the First Day motions in the Chapter 11 Proceedings, the NW U.S. Entities are seeking an order which outlines a bidding procedure period of approximately 5 weeks. It is contemplated that if an auction is required in the U.S., it would be held approximately 4 days after the end of the bidding procedure period and a sale hearing would occur 2 days after the auction.

56. Following the completion of the sale of the Nine West brands in the U.S., it is anticipated that the Chapter 11 Proceedings will be focused on the execution of a turnaround strategy to enable the NW U.S. Entities to focus their operations exclusively on their wholesale business with respect to their jeanswear, women's apparel and fashion jewellery business lines.

THE PROPOSAL PROCEEDINGS

57. As noted above, the Canadian operations historically experienced financial difficulties. The decisions made on a global basis in respect of the future of Nine West retail operations, the lack of any interest through the SISP process that had been run and ultimately the commencement of the Chapter 11 Proceedings resulted in the NW Canada Entities commencing the Proposal Proceedings. The Chapter 11 Proceedings eliminated the NW Canada Entities' ability to obtain further funding through the intercorporate advances described above. The continuing decline in sales and negative publicity generated by the reporting of the NW U.S. Entities' financial problems in the media also contributed to the Canadian operations commencing the Proposal Proceedings in Canada.

58. As a result, on April 6, 2018, each of Jones Canada and NW Canada LP filed an NOI under the BIA and commenced the Proposal Proceedings. Copies of the certificates of the NOIs are attached as **Exhibits "J"** and **"K"**, respectively, to my affidavit. The NOI filings were necessary to provide stability to the NW Canada Entities and permit the implementation of the proposed liquidation, which is further described below.

59. The NOI filings were authorized by Jones Canada's board of directors.

60. On February 26, 2018, Richter was engaged as Financial Advisor to the NW Canada Entities. As part of the filing of the NOIs, Richter was appointed as the Proposal Trustee in the Proposal Proceedings.

Cash Flows

61. The Proposal Trustee has assisted the NW Canada Entities in preparing a cash flow forecast which sets out projected cash flows for the 12 week period ending June 30, 2018, a copy of which I understand from the Proposal Trustee will be attached as an appendix to the First Report. As set out in the Cash Flow Forecast, the NW Canada Entities are expected to have sufficient liquidity to operate to the end of the Cash Flow Period, which coincides with the completion of the proposed Liquidation Sale (defined and described below). The NW Canada Entities' principal use of cash during this period will consist of regular course operating expenditures, including amounts to be paid to employees and landlords. These expenditures will decrease over time as store closures are effected.

62. Immediately prior to the commencement of the Proposal Proceedings, the NW Canada Entities set aside funds (the “D&O Trust”) sufficient to cover the NW Canada Entities’ estimated pre-filing GST/HST liability, employee source deduction, payroll and accrued vacation pay liabilities, such that the NW Canada Entities will have the funds to make these required payments. The D&O Trust was funded through secured intercompany advances.

Proposed Process for NOI Proceedings

63. As stated above, prior to commencing their Chapter 11 Proceedings, the NW U.S. Entities ran a thorough marketing process and no party was interested in acquiring the Canadian operations.

64. The NW Canada Entities, together with Richter as Financial Advisor and anticipating Richter’s role as Proposal Trustee, determined that the manner in which to maximize the recovery on existing retail operations was through the appointment of a liquidator to assist with the orderly wind down of the retail operations.

65. I believe that the realizations under an orderly liquidation conducted by the NW Canada Entities, with the assistance of the Consultant, are likely to exceed the recoveries under a sale of the assets in a receivership or bankruptcy scenario. The NW Canada Entities will also pursue other asset recoveries including collection of outstanding receivables, and have started drafting a form of Proposal to their creditors, which will be updated as available proceeds and asset monetizations are further quantified.

Liquidator Selection Process

66. On March 12, 2018, the NW Canada Entities, with the assistance of Richter, commenced a request for proposal (“RFP”) process to solicit proposals from third party liquidators to assist the NW Canada Entities in the orderly liquidation of the inventory, furniture, fixtures and other store equipment through the conduct of “going-out-of-business” or similar themed sales (the “Liquidation Sale”). The RFP was amended on March 19, 2018, to, among other things, extend the deadline for submitting proposals to March 26, 2018. I understand from the Proposal Trustee that more details in this regard will be provided in the First Report.

67. The RFP invited each of the liquidation firms to submit a single proposal with, among other things : (i) an offer to assist the NW Canada Entities in their disposition of the inventory as well as furniture, fixtures and equipment (“FF&E”) located in the closing locations; and (ii) a proposal in the form of the draft Consulting Agreement, with any changes to the Consulting Agreement highlighted. The RFP required all bidders to submit proposals by no later than March 26, 2018. Bidders were told to assume that the sale at the closing locations would begin as soon as possible after April 7, 2018 and conclude no later than June 30, 2018 or such earlier date as agreed upon by the parties.

68. On March 12, 2018, Richter, on behalf of the NW Canada Entities, contacted seven potential liquidators with prior experience handling large-scale liquidations, including large-scale liquidations in Canada, informing them of the RFP process and providing them with a form of non-disclosure agreement (the “NDA”). Subsequently, seven parties executed NDAs and were provided with access to a virtual data room on March 15, 2018, which included relevant financial and operational data concerning the inventory and FF&E, as well an overview of the RFP process and a form of the Consulting Agreement. Richter and the NW Canada Entities answered questions and provided follow-up information to the liquidators during the course of their due diligence.

69. Three proposals were received on March 26, 2018. Richter prepared a comparative analysis of the proposals (the “Comparative Analysis”), which I understand from the Proposal Trustee will be attached as a confidential appendix to the First Report. Following consideration of all of the proposals, the NW Canada Entities, in consultation with Richter, selected SB360 Capital Partners, LLC, as the successful bidder, or Consultant. I am advised that the Consultant has extensive experience conducting retail liquidations, including inventory dispositions for a wide variety of former retailers.

70. I understand from the Proposal Trustee that the First Report will further outline the efforts undertaken during this time to select a liquidator.

The Consulting Agreement

71. On April 3, 2018, the Consultant and the NW Canada Entities agreed to a final form of the Consulting Agreement, a copy of which is attached hereto as Exhibit “L”. It is intended that

the Consulting Agreement will be executed following the requested issuance of the Liquidation Process Order. The proposed Liquidation Sale under the Consulting Agreement would then be conducted in accordance with the Sale Guidelines attached to the Liquidation Process Order. The Consulting Agreement contemplates the Liquidation Sale will commence between April 14, 2018 and April 21, 2018 and will conclude no later than June 30, 2018, or such other dates agreed to by the NW Canada Entities and the Consultant. The Sale Guidelines provide, among other things, that subject to certain exceptions, the Liquidation Sale shall be conducted in accordance with the terms of the applicable leases for each of the closing stores. Further, the Liquidation Process Order grants the Consultant access to the closing stores in accordance with the applicable leases until July 30, 2018.

72. The Consulting Agreement provides that the Consultant will act as an exclusive independent consultant for the purpose of advising the NW Canada Entities with respect to the sale of the inventory and FF&E located at the retail store locations. The Consulting Agreement provides that the NW Canada Entities are responsible for all expenses incurred in connection with the sale of inventory and FF&E at the retail locations, including supervisor costs and advertising and sign expenses, subject to an agreed upon budget between the NW Canada Entities and the Consultant.

73. The Consulting Agreement provides that the Consultant will be paid a fee equal to 1.25% of the gross proceeds of the sale of inventory and 15% of the gross receipts (net of sales tax) from all sales or other dispositions of FF&E. In addition, the NW Canada Entities will reimburse the Consultant for the Consultant's reasonable out of pocket expenses incurred in connection with the sale or disposition of the FF&E per the terms of the Consulting Agreement, or which have been previously approved in writing by the NW Canada Entities.

74. Pursuant to the Consulting Agreement, the Consultant will provide the NW Canada Entities among others, with the following services, with respect to the liquidation:

- (a) full-time supervisors to supervise and conduct the liquidation, provided that the number of supervisors is determined by the Consultant following consultation with the NW Canada Entities;

- (b) the oversight, supervision and guidance with respect to the conduct of the liquidation and disposal of the inventory and FF&E as may be required in order to maximize gross proceeds;
- (c) recommend and implement appropriate point of purchase, point of sale and external advertising to effectively sell the inventory and FF&E;
- (d) advice as to appropriate pricing and discounting of the inventory and FF&E and appropriate staffing levels at the retail locations during the conduct of the liquidation; and
- (e) advice as to the appropriate closing date of individual closing stores and potential consolidation of inventory to remaining stores in order to maximize gross proceeds.

75. Some other key terms of the Consulting Agreement include:

- (a) the Consultant will not be considered an employer of the NW Canada Entities' employees and shall have no obligation whatsoever in that respect. Moreover, title to all inventory and FF&E shall remain with the NW Canada Entities at all times during the sale term until such inventory and FF&E is sold;
- (b) all sales of inventory and FF&E will be "final sales" and "as is" and no closing stores will honour returns with respect to any items;
- (c) all inventory must be sold through retail channels and if there is any remaining unsaleable inventory at the Sale Termination Date (as defined in the Consulting Agreement), the Consultant shall dispose of all such merchandise; and
- (d) the Consulting Agreement is conditional upon the NW Canada Entities having obtained the Liquidation Process Order.

Approval of the Liquidation Process and Consulting Agreement

76. I believe that the proposed Liquidation Sale under the Liquidation Process Order, Sales Guidelines and Consulting Agreement is the best way to maximize the value of the NW Canada

Entities' inventory and FF&E for the benefit of all of the NW Canada Entities' stakeholders. The NW Canada Entities' retail stores operate at a loss, and the sooner the inventory and FF&E is liquidated, the more cash the NW Canada Entities will be able to preserve for their creditors.

77. The final determination in respect of future Canadian wholesale operations will not be finalized until the U.S. sales process is finalized and it is determined whether an alternative buyer will be named which wishes to continue with Canadian wholesale operations. In the interim, in order to monetize the current value of the NW Canada Entities for existing creditors, the inventory previously purchased for wholesale distribution will be monetized either through Canadian wholesale or retail distribution channels.

78. The NW Canada Entities' board of directors and management believe the liquidation is a fair and reasonable process for the sale of the assets and will result in the maximization of value for the NW Canada Entities' creditors. Further, the Liquidation Process Order and Sale Guidelines are supported by the NW U.S. Entities and the Proposal Trustee.

79. The NW Canada Entities believe that engaging a professional liquidator to undertake a sale of the inventory and FF&E in the closing retail locations will produce better results for the NW Canada Entities than an attempt to sell such inventory and FF&E without professional assistance. The Consultant has extensive experience conducting retail liquidations, including inventory dispositions for a wide variety of former retailers, and is experienced in dealing with the type of landlord and customer concerns that may arise in the type of process contemplated in the liquidation.

80. The NW Canada Entities, together with their advisors, have considered the potential value of seeking to market the real estate leases and have determined that the potential of canvassing the market for recovery from such locations does not warrant the extension to the Proposal Proceedings for purposes of these efforts and/or the potential disruption with their landlords.

D&O Charge and other Provisions

81. To ensure that the liquidation is carried out successfully and value is maximized for the NW Canada Entities' Creditors, the Applicants require the continued participation of their respective directors, officers, managers and employees.

82. I am advised by the NW Canada Entities' counsel, Stikeman Elliott LLP, that in certain circumstances directors can be held liable for certain obligations of a corporation owing to employees and government entities. As of April 5, 2018, the NW Canada Entities are potentially liable for accrued but unpaid vacation pay, wages, source deductions and sales tax in the aggregate amount of approximately \$1,000,000 which amount has been set aside in the D&O Trust.

83. The NW Canada Entities maintain directors' and officers' liability insurance (the "**D&O Insurance**") that benefit the directors and officers of the NW Canada Entities. The current D&O Insurance policy provides \$55 million in aggregate coverage for the NW Entities which is subject to various limitations and deductibles. The term of the policy is from October 1, 2017 to October 1, 2018. The directors and officers of the NW Canada Entities have indicated that, due to the potentially significant personal exposure arising going forward, they cannot continue their service with the NW Canada Entities unless they obtain a charge on all of the NW Canada Entities' property, assets and undertakings (the "**Property**") in the amount of \$700,000, being an estimate of potential post filing statutory obligations (the "**D&O Charge**").

84. The D&O Charge is proposed to rank second in priority on the Property after the Administration Charge (as defined herein) after any secured creditors without notice of this motion. NW Management and NW Holdings, as secured creditors of the NW Canada Entities, have agreed to the Administration Charge and D&O Charge ranking ahead of their secured debt position.

85. The D&O Charge will allow the NW Canada Entities to continue to benefit from the efforts and knowledge of their directors and officers. The NW Canada Entities and the Proposal Trustee believe that the D&O Charge is reasonable in the circumstances.

Administration Charge

86. The NW Canada Entities seek an order granting a charge over the Property securing the fees and disbursements of counsel to the NW Canada Entities, the Proposal Trustee and its counsel in the amount of \$750,000 (the “**Administration Charge**”). The professionals whose fees are to be secured by the Administration Charge have taken on, and will continue to take on, a critical role in these proceedings and there will be no unwarranted duplication of roles.

87. The NW Canada Entities have worked with the Proposal Trustee and other insolvency professionals to estimate the proposed quantum of the Administration Charge and I believe it to be reasonable and appropriate in the circumstances. The amount of the Administration Charge contemplates that professionals are paid on a current basis during these proceedings.

88. The Administration Charge is proposed to rank first in priority on the Property after the interests of any secured creditors without notice of this motion.

KERA Approval

89. Given the short timeframe of the retail operations wind-down, it is imperative that the NW Canada Entities maintain certain key employees to assist with the orderly wind down of the NW Canada Entities’ operations and the liquidation of their inventory. The NW Canada Entities have worked with the Proposal Trustee to identify those key individuals and the amounts which are available to offer to assist with maintaining their ongoing involvement during key timeframes.

90. In an attempt to ensure the continued participation of employees identified as key employees during the Proposal Proceedings, the NW Canada Entities are seeking approval of the KERA.

91. In order for a KERA participant to receive payments under the KERA, such employee cannot have: (a) disclosed the terms of the KERA (other than to his or her legal, financial and tax advisors or as required by law); or (b) at any time on or before the date any portion of the funds contemplated under the KERA is paid (i) resign or (ii) be terminated for cause.

92. The NW Canada Entities are seeking a charge on the Property ranking behind the Administration Charge and the D&O Charge in the maximum amount of the KERA's value (the "KERA Charge") to secure the obligations under the KERA. The D&O Charge, the Administration Charge and the KERA Charge are to rank in priority to all other charges other than those of secured creditors without notice of this motion.

93. Without the KERA and the security provided by the KERA Charge, there is concern that key employees would leave prior to the closing of the transaction/completion of the liquidation, which would be of significant negative effect to the NW Canada Entities. I believe that the KERA and the KERA Charge are necessary in order to complete the sale contemplated by the Liquidation Process Order and Consulting Agreement and ensure the success of the Proposal Proceedings.

94. I understand that the Proposal Trustee supports the proposed KERA and KERA Charge.

95. I understand from the Proposal Trustee that a copy of the KERA will be attached as a confidential appendix to the First Report and requested to be sealed pending further order of the Court.

Substantive Consolidation

96. As noted above, the relationship between the NW Canada Entities is closely intertwined. The NW Canada Entities share common management and administrative support. The proposed liquidation involves the sale of all of the property of the NW Canada Entities. Jones Canada, the general partner of NW Canada LP, does not carry on business independently and has no assets or liabilities apart from those incurred in its role as the general partner of NW Canada LP.

97. The proposed substantive consolidation of the NW Canada Entities is appropriate, as it would allow the Proposal Trustee to avoid performing, *inter alia*, the following separate actions in respect of each of Jones Canada and NW Canada LP, thereby reducing certain administrative expenses:

- (a) issuing separate reports;
- (b) making, filing, advertising and distribution of all filings and notices required under the BIA in duplicate;
- (c) opening separate bank accounts;
- (d) conducting separate meetings for the voting on a proposal and determining and advising the creditors of Jones Canada and NW Canada LP separately in the making of distributions; and
- (e) conducting in duplicate all such other administrative duties and responsibilities to be carried out by a Proposal Trustee in the administration of proposal proceedings under the BIA.

98. The largest creditors of the NW Canada Entities, NW Management and NW Holdings, have no objections to the proposed consolidation. The proposed consolidation will not result in any prejudice to the creditors of the NW Canada Entities.

99. I believe that it would be in the best interest of all interested persons if the NW Canada Entities' Proposal Proceedings proceeded jointly. The consolidation of the Proposal Proceedings would prevent the duplication of efforts to file and maintain two separate sets of motion materials over the course of the Proposal Proceedings, which will reduce costs in the proceedings. This would be in furtherance of the principle of proportionality and will maximize the recovery for the NW Canada Entities' stakeholders.

Sealing Orders

100. The Comparative Analysis contains sensitive commercial and competitive information, the disclosure of which would cause harm to the NW Canada Entities, their stakeholders, and bidders in the RFP process if released. Further, the KERA contains sensitive personal information about certain of the NW Canada Entities' employees. As a result, the NW Canada Entities are seeking orders sealing the Comparative Analysis and the KERA.

Stay Extension

101. The Consulting Agreement contemplates the Liquidation Sale to commence between April 14, 2018 and April 21, 2018 and conclude no later than June 30, 2018, or such other dates agreed to by the NW Canada Entities and the Consultant. Leading up to this date, the NW Canada Entities, the Consultant, the Proposal Trustee and their advisors will be working together to complete the Liquidation Sale, deal with employees, suppliers, customers and other stakeholder issues, and otherwise advance the Proposal Proceedings.

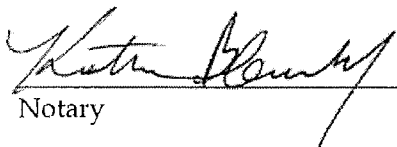
102. A 45-day extension of the Proposal Period would give the NW Canada Entities the time needed to move forward with the Liquidation Sale and make progress towards achieving the terms of a proposal for consideration of the NW Canada Entities' creditors. Thereafter, a further stay extension is anticipated to be needed to complete the Liquidation Sale and advance a proposal. We will return to court prior to June 20, 2018 with a further update and timeline.

103. I am not aware of any creditors who would be harmed by the extension of the Proposal Period to June 20, 2018.

CONCLUSION

104. I swear this affidavit in support of the orders sought in the Proposal Proceedings and for no improper purpose.

SWORN BEFORE ME at the City of
New York, State of New York on April
6, 2018.



Notary



RALPH SCHIPANI

KATHERINE BLAUKOPF
NOTARY PUBLIC, State of New York
No. 01BL0024412
Qualified in New York County
Commission Expires May 10, 2019

EXHIBIT “A”

*THIS IS EXHIBIT "A", referred to in the
Affidavit of Ralph Schipani, sworn on
April 6, 2018.*



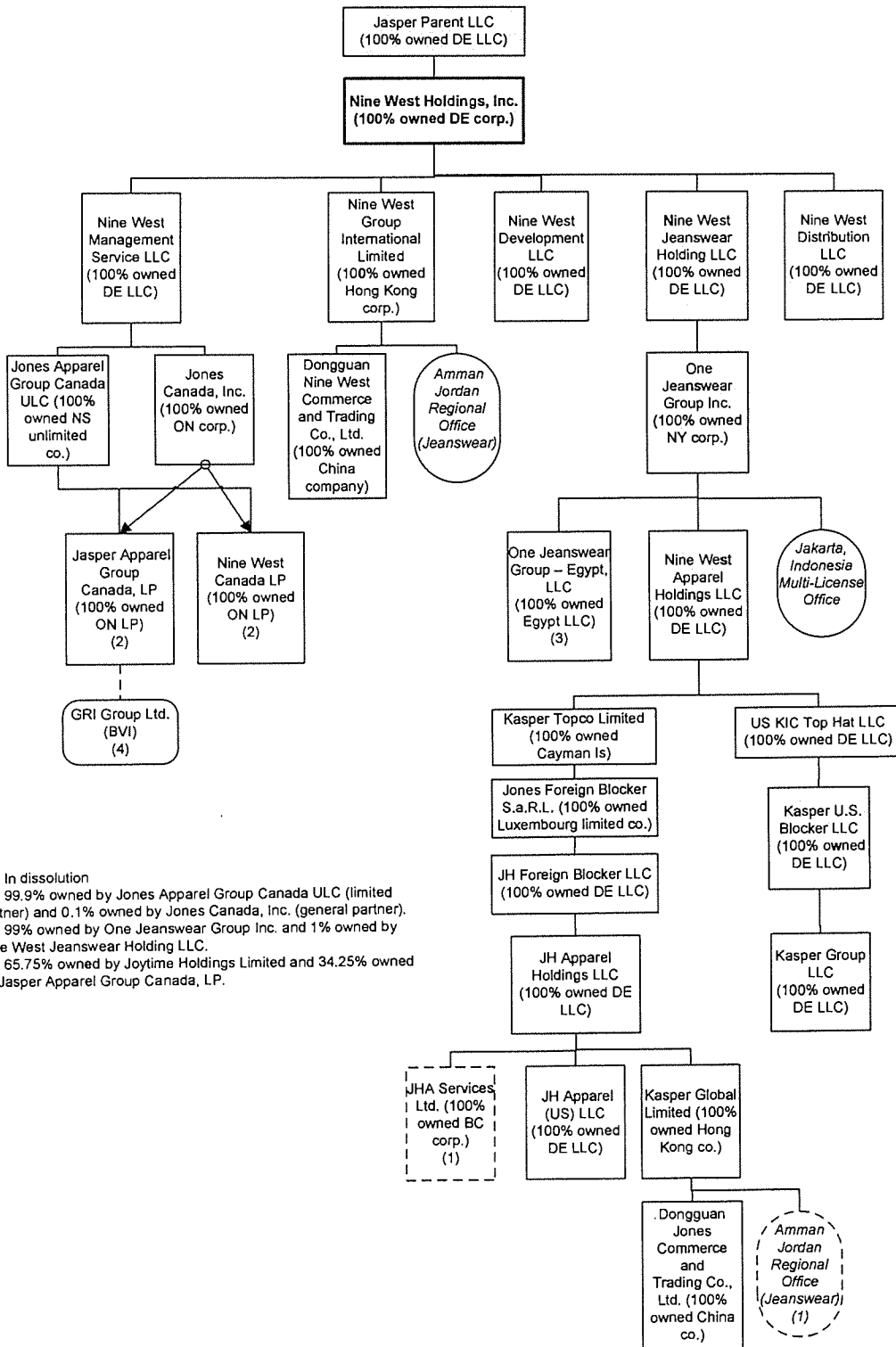
Commissioner for Taking Affidavits

KATHERINE BLAUKOPF
NOTARY PUBLIC, State of New York
No. 018L6024412
Qualified in New York County
Commission Expires May 10, 2019

Nine West Entities Chart

3/5/2018

Holding Co.	Primary Operating Co.
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(1) In dissolution
 (2) 99.9% owned by Jones Apparel Group Canada ULC (limited partner) and 0.1% owned by Jones Canada, Inc. (general partner).
 (3) 99% owned by One Jeanswear Group Inc. and 1% owned by Nine West Jeanswear Holding LLC.
 (4) 65.75% owned by Joytime Holdings Limited and 34.25% owned by Jasper Apparel Group Canada, LP.

EXHIBIT “B”

*THIS IS EXHIBIT "B", referred to in the
Affidavit of Ralph Schipani, sworn on
April 6, 2018.*

Katherine Blaukopf
Commissioner for Taking Affidavits

KATHERINE BLAUKOPF
NOTARY PUBLIC, State of New York
No. 019L6024M12
Qualified in New York County
Commission Expires May 10, 2019

Nine West Group
Canada -Current Open Stores

Store Count	Store #	Center	Address	Prov
	3112	Calgary Eaton Ctre (CORE Shopping Ctre)	751 3 ST. SW. CALGARY, AB	AB
	3117	Market Mall	3625 SHAGANAPPI TR. CALGARY, AB	AB
	3137	Chinook	6455 MACLEOD TRAIL SW. CALGARY, AB	AB
	1101	Cross Iron	261055 CROSS IRON BLVD. ROCKY VIEW NO. 44, AB	AB
	3108	Pacific Ctre	700-701 W GEORGIA ST. VANCOUVER, BC	BC
	3104	Richmond Ctre	6551 NO 3 RD. RICHMOND, BC	BC
	3105	Metrotown	4700 KINGSWAY, BURNABY, BC	BC
	1116	Tsawwassen	5000 CANOE PASS WAY, TSAWWASSEN FIRST NATION, BC	BC
	3139	Polo Park	1485 PORTAGE AVE. WINNIPEG, MB	MB
	1117	Winnipeg Outlet	555 STERLING LYON PKWY, WINNIPEG, MB	MB
	1115	Mic Mac	21 MICMAC BLVD, DARTMOUTH, NS	NS
	3114	First Cdn Place	130 KING ST W. TORONTO, ON	ON
	3136	Masonville	1680 RICHMOND ST N. LONDON, ON	ON
	1109	Don Mills	3 KARL FRASER RD. TORONTO, ON / 1090 DON MILLS RD. TORONTO, ON	ON
	3120	Fairview	1800 SHEPPARD AVE E. TORONTO, ON	ON
	3106	Sherway Gardens	25 THE WEST MALL, ETOBICOKE, ON	ON
	3107	Eaton Ctre	220 YONGE ST. TORONTO, ON	ON
	3119	Promenade	1 PROMENADE CIRC. THORNHILL, ON	ON
	1104	Vaughan Mills	1 BASS PRO MILLS DR. VAUGHAN, ON	ON
	1112	Niagara-on-the-Lake	300 TAYLOR RD. NOTL, ON	ON
	1107	Windsor Crossing	1555 TALBOT RD. WINDSOR, ON	ON
	3133	Scarborough Town	300 BOROUGH DR. SCARBOROUGH, ON	ON
	3101	Square One	100 CITY CENTRE DR, MISSISSAGA, ON	ON
	3103	Yorkdale	3401 DUFFERIN ST. TORONTO, ON	ON
	1106	Cookstown	3311 SIMCOE 89, COOKSTOWN, ON	ON
	1113	Ottawa	8555 CAMPEAU DR, #830, KANATA, ON	ON
	3115	Oakville Place	240 LEIGHLAND AVE. OAKVILLE, ON	ON
	1110	Toronto Premium Outlet	13850 STEELES AVE W. HALTON HILLS, ON	ON
	3109	Bayview	2901 BAYVIEW AVE. NORTH YORK, ON	ON
	3138	Mapleview	900 MAPLE AVE. BURLINGTON, ON	ON
	1105	Heartland	6045 MAVIS RD. MISSISSAUGA, ON	ON
	2105	Orfus 2	35 ORFUS ROAD UNIT B1, TORONTO, ON	ON
	1114	Montreal	9001 CHEM. NOTRE-DAME, MIRABEL, QC / 19001 CHEM. NOTRE-DAME, MIRABEL, QC	QC
	3113	Fairview-Pte Claire	6801 TRANS-CANADA HWY, PC, QC	QC
	1103	Mega Ctre	2464 AUTORTE. CHOMEDEY. LAVAL, QC	QC

35 Total NW Canada

EXHIBIT “C”

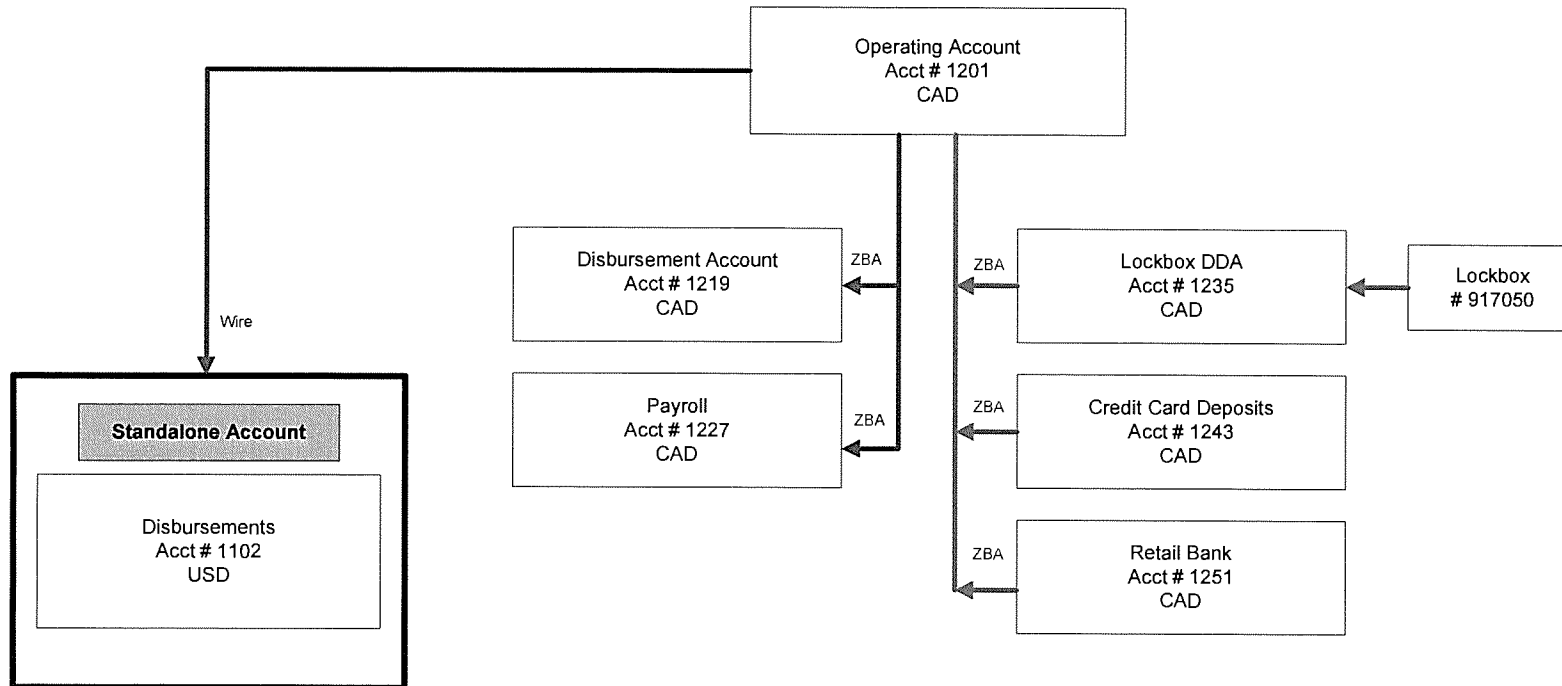
***THIS IS EXHIBIT "C", referred to in the
Affidavit of Ralph Schipani, sworn on
April 6, 2018.***



Commissioner for Taking Affidavits

KATHERINE BLAUKOFF
NOTARY PUBLIC, State of New York
No. 01916024012
Qualified in New York County
Commission Expires May 10, 2019

Nine West Canada LP
Bank of America Account Structure
 As of: 2/26/2018



Bank Account Legend:

BofA Accounts

- Receipt of funds into concentration account
- Disbursement of funds from concentration accounts

EXHIBIT "D"

**THIS IS EXHIBIT "D", referred to in the
Affidavit of Ralph Schipani, sworn on
April 6, 2018.**


Commissioner for Taking Affidavits

KATHERINE BLAWIE
NOTARY PUBLIC, State of New York
No. 0196026412
Qualified in New York County
Commission Expires May 10, 20**19**

\$2,000,000

REVOLVING INTERCOMPANY NOTE

October 18, 2017

FOR VALUE RECEIVED, Nine West Canada LP, as borrower from time to time hereunder (in such capacity, “**Issuer**”), hereby promises to pay on demand to Nine West Management Service LLC (in such capacity as lender to the Issuer, a “**Holder**” and, together with Issuer, a “**Note Party**”), in immediately available funds in the currencies as shall be agreed upon from time to time, at such location as the Holder shall from time to time designate, the unpaid principal amount of and interest upon all loans and advances or other credit extensions made by Holder to Issuer, which such loans, advances or other extensions of credit shall not exceed \$2,000,000 in the aggregate. On the final day of each month, interest shall accrue in U.S. dollars on the unpaid principal amount of all such loans and advances or other credit extensions at the then-applicable U.S. Internal Revenue Service short-term applicable Federal rate and, to the extent not paid in cash, shall be added to the unpaid principal amount outstanding under this Note. Interest at such rate shall accrue daily and be calculated on the basis of the actual number of days elapsed in a year of 365 or 366 days, as the case may be. The parties hereto acknowledge and agree that the obligations evidenced by this note are revolving in nature and will increase and/or decrease subject to an aggregate principal amount of \$2,000,000. The parties hereto acknowledge that all obligations under this Note shall be secured by the assets of the Issuer in accordance with that certain security agreement, dated as of the date hereof, granted by the Issuer and in favor of the Holder, as well as any related security filings documents or filings required under U.S. or Canadian law.

1. Recordation. The Holder is hereby authorized to record all loans and advances or other credit extensions made by it to Issuer (all of which shall be evidenced by this Note), and all repayments or prepayments thereof, in its books and records, such books and records constituting prima facie evidence of the accuracy of the information contained therein; provided that the failure of the Holder to record such information shall not affect any Issuer’s obligations in respect of intercompany indebtedness extended by such Holder to such Issuer.

The Issuer hereby authorizes Holder to file financing statements, without notice to the Issuer, with all appropriate jurisdictions to perfect or protect Holder’s interest or rights hereunder. The Issuer authorizes Holder to use the collateral description “all assets of the debtor” or “all assets of the debtor owned now and hereafter acquired” in any such financing statements.

2. Events of Default.

(a) For purposes of this Note, the occurrence of any of the following shall be deemed to be an Event of Default (each such event, an “Event of Default”):

(i) the Issuer fails to pay when due and payable (whether at maturity or otherwise) the full amount of any principal payment on this Note or the full amount of any interest payment on this Note;

(ii) the Issuer makes an assignment for the benefit of creditors or admits in

writing its inability to pay its debts generally as they become due; or an order, judgment or decree is entered adjudicating the Issuer bankrupt or insolvent; or any order for relief with respect to the Issuer is entered under the Federal Bankruptcy Code, the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Winding-Up and Restructuring Act* (Canada) and any other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief law (including, without limitation, any proceeding under applicable corporate law seeking a compromise or arrangement of any debts of the corporation or a stay of proceedings to enforce any of the claims of the corporation's creditors against it) of the United States, Canada or any similar legislation in a relevant jurisdiction, in each case as applicable and as in effect from time to time ("**Insolvency Laws**"); or the Issuer petitions or applies to any tribunal for the appointment of a custodian, trustee, receiver or liquidator of the Issuer, or of any substantial part of the assets of the Issuer, or commences any proceeding relating to the Issuer under any Insolvency Laws; or any such petition or application is filed, or any such proceeding is commenced, against the Issuer and either (A) the Issuer by any act indicates its approval thereof, consent thereto or acquiescence therein or (B) such petition, application or proceeding is not dismissed within 60 days. For purposes of this Section 3(a)(ii), the term "Issuer" shall include any subsidiary of the Issuer; or

The foregoing shall constitute Events of Default whatever the reason or cause for any such Event of Default and whether it is voluntary or involuntary or is effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body.

(b) Consequences of Events of Default.

(i) If an Event of Default of the type described in subparagraph 3(a)(ii) has occurred, the aggregate principal amount of this Note (together with all accrued interest thereon and all other amounts due and payable with respect thereto), shall become immediately due and payable without any action on the part of Holder, and the Issuer shall immediately pay to Holder all amounts due and payable with respect to this Note.

(ii) If any Event of Default (other than under subparagraph 3(a)(ii)) has occurred, Holder may declare all or any portion of the outstanding principal amount of this Note, (together with all accrued interest thereon and all other accrued but unpaid amounts with respect thereto), to be immediately due and payable and may demand immediate payment of all or any portion of the outstanding principal amount of this Note (together with all such other amounts then accrued but unpaid).

(iii) Holder shall also have any other rights which Holder may have been afforded under any contract or agreement at any time and any other rights which Holder may have pursuant to applicable law.

(iv) If an Event of Default has occurred, the Holder shall have the right, with respect to the obligations hereunder, to exercise any and all rights and remedies available to a secured party under the Uniform Commercial Code (the "Code") or the Personal Property Security Act (the "PPSA") in any applicable jurisdiction, the Civil Code of Quebec, or other

applicable law.

3. Waiver. Each Issuer hereby waives presentment, demand, protest or notice of any kind in connection with this Note. All payments under this Note shall be made without offset, counterclaim or deduction of any kind.

4. Registered Form. Indebtedness governed by this Note shall be maintained in "registered form" within the meaning of Section 163(f) of the Internal Revenue Code of 1986, as amended.

5. Further Assurances. Subject to the limitations set forth herein, from time to time the Issuer shall execute and deliver, or cause to be executed and delivered, such additional instruments, certificates or documents, and take all such actions, as Holder may reasonably request for the purposes of implementing or effectuating the provisions of this Note, or of renewing the rights of Holder with respect to the Collateral as to which Holder has a perfected lien pursuant hereto, including, without limitation, filing any financing or continuation statements or financing change statements under the Code, the PPSA, or other similar laws, in effect in any jurisdiction with respect to the security interests created hereby.

6. Payment of Expenses; Indemnification. The Issuer shall pay or reimburse Holder for all its costs and expenses incurred in connection with the enforcement or preservation of any rights under this Note, including the reasonable fees, disbursements and other charges of counsel to Holder, and shall indemnify and hold harmless Holder and his affiliates and its and their respective directors, officers, employees, agents, trustees and advisors from and against any and all other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, and documented costs, out-of-pocket expenses or disbursements of any kind or nature whatsoever, including fees, disbursements and other charges of counsel, with respect to the execution, delivery, enforcement, performance and administration of this Note. The agreements in this Section 7 shall survive repayment of this Note.

7. Execution. This Note may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

8. Governing Law. **THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.**

[SEPARATE SIGNATURE PAGES TO BE ATTACHED]

Nine West Canada LP, as Issuer:

BY: Jones Canada, Inc., its General partner


By: 

Name: Ralph A. Schipani

Title: President

[Signature Page to Revolving Intercompany Note]

Nine West Management Service LLC, as
Holder:

By: 
Name: Ralph A. Schipani
Title: President

[Signature Page to Revolving Intercompany Note]

EXHIBIT “E”

THIS IS EXHIBIT "E", referred to in the
Affidavit of Ralph Schipani, sworn on
April 6, 2018.


Commissioner for Taking Affidavits

KATHERINE BLAUKOPF
NOTARY PUBLIC, State of New York
No. 01BL6024412
Qualified in New York County
Commission Expires May 10, 2019

\$23,000,000

REVOLVING INTERCOMPANY NOTE

October 18, 2017

FOR VALUE RECEIVED, Nine West Canada LP, as borrower from time to time hereunder (in such capacity, “**Issuer**”), hereby promises to pay on demand to Nine West Holdings, Inc. (in such capacity as lender to the Issuer, a “**Holder**” and, together with Issuer, a “**Note Party**”), in immediately available funds in the currencies as shall be agreed upon from time to time, at such location as the Holder shall from time to time designate, the unpaid principal amount of and interest upon all loans and advances or other credit extensions made by Holder to Issuer, which such loans, advances or other extensions of credit shall not exceed \$25,000,000 in the aggregate. On the final day of each month, interest shall accrue in U.S. dollars on the unpaid principal amount of all such loans and advances or other credit extensions at the then-applicable U.S. Internal Revenue Service short-term applicable Federal rate and, to the extent not paid in cash, shall be added to the unpaid principal amount outstanding under this Note. Interest at such rate shall accrue daily and be calculated on the basis of the actual number of days elapsed in a year of 365 or 366 days, as the case may be. The parties hereto acknowledge and agree that the obligations evidenced by this note are revolving in nature and will increase and/or decrease subject to an aggregate principal amount of \$25,000,000. The parties hereto acknowledge that all obligations under this Note shall be secured by the assets of the Issuer in accordance with that certain security agreement, dated as of the date hereof, granted by the Issuer and in favor of the Holder, as well as any related security filings documents or filings required under U.S. or Canadian law.

1. Recordation. The Holder is hereby authorized to record all loans and advances or other credit extensions made by it to Issuer (all of which shall be evidenced by this Note), and all repayments or prepayments thereof, in its books and records, such books and records constituting prima facie evidence of the accuracy of the information contained therein; provided that the failure of the Holder to record such information shall not affect any Issuer’s obligations in respect of intercompany indebtedness extended by such Holder to such Issuer.

The Issuer hereby authorizes Holder to file financing statements, without notice to the Issuer, with all appropriate jurisdictions to perfect or protect Holder’s interest or rights hereunder. The Issuer authorizes Holder to use the collateral description “all assets of the debtor” or “all assets of the debtor owned now and hereafter acquired” in any such financing statements.

2. Events of Default.

(a) For purposes of this Note, the occurrence of any of the following shall be deemed to be an Event of Default (each such event, an “Event of Default”):

(i) the Issuer fails to pay when due and payable (whether at maturity or otherwise) the full amount of any principal payment on this Note or the full amount of any interest payment on this Note;

(ii) the Issuer makes an assignment for the benefit of creditors or admits in

writing its inability to pay its debts generally as they become due; or an order, judgment or decree is entered adjudicating the Issuer bankrupt or insolvent; or any order for relief with respect to the Issuer is entered under the Federal Bankruptcy Code, the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Winding-Up and Restructuring Act* (Canada) and any other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief law (including, without limitation, any proceeding under applicable corporate law seeking a compromise or arrangement of any debts of the corporation or a stay of proceedings to enforce any of the claims of the corporation's creditors against it) of the United States, Canada or any similar legislation in a relevant jurisdiction, in each case as applicable and as in effect from time to time ("**Insolvency Laws**"); or the Issuer petitions or applies to any tribunal for the appointment of a custodian, trustee, receiver or liquidator of the Issuer, or of any substantial part of the assets of the Issuer, or commences any proceeding relating to the Issuer under any Insolvency Laws; or any such petition or application is filed, or any such proceeding is commenced, against the Issuer and either (A) the Issuer by any act indicates its approval thereof, consent thereto or acquiescence therein or (B) such petition, application or proceeding is not dismissed within 60 days. For purposes of this Section 3(a)(ii), the term "Issuer" shall include any subsidiary of the Issuer; or

The foregoing shall constitute Events of Default whatever the reason or cause for any such Event of Default and whether it is voluntary or involuntary or is effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body.

(b) Consequences of Events of Default.

(i) If an Event of Default of the type described in subparagraph 3(a)(ii) has occurred, the aggregate principal amount of this Note (together with all accrued interest thereon and all other amounts due and payable with respect thereto), shall become immediately due and payable without any action on the part of Holder, and the Issuer shall immediately pay to Holder all amounts due and payable with respect to this Note.

(ii) If any Event of Default (other than under subparagraph 3(a)(ii)) has occurred, Holder may declare all or any portion of the outstanding principal amount of this Note, (together with all accrued interest thereon and all other accrued but unpaid amounts with respect thereto), to be immediately due and payable and may demand immediate payment of all or any portion of the outstanding principal amount of this Note (together with all such other amounts then accrued but unpaid).

(iii) Holder shall also have any other rights which Holder may have been afforded under any contract or agreement at any time and any other rights which Holder may have pursuant to applicable law.

(iv) If an Event of Default has occurred, the Holder shall have the right, with respect to the obligations hereunder, to exercise any and all rights and remedies available to a secured party under the Uniform Commercial Code (the "Code") or the Personal Property Security Act (the "PPSA") in any applicable jurisdiction, the Civil Code of Quebec, or other

applicable law.

3. Waiver. Each Issuer hereby waives presentment, demand, protest or notice of any kind in connection with this Note. All payments under this Note shall be made without offset, counterclaim or deduction of any kind.

4. Registered Form. Indebtedness governed by this Note shall be maintained in "registered form" within the meaning of Section 163(f) of the Internal Revenue Code of 1986, as amended.

5. Further Assurances. Subject to the limitations set forth herein, from time to time the Issuer shall execute and deliver, or cause to be executed and delivered, such additional instruments, certificates or documents, and take all such actions, as Holder may reasonably request for the purposes of implementing or effectuating the provisions of this Note, or of renewing the rights of Holder with respect to the Collateral as to which Holder has a perfected lien pursuant hereto, including, without limitation, filing any financing or continuation statements or financing change statements under the Code, the PPSA, or other similar laws, in effect in any jurisdiction with respect to the security interests created hereby.

6. Payment of Expenses; Indemnification. The Issuer shall pay or reimburse Holder for all its costs and expenses incurred in connection with the enforcement or preservation of any rights under this Note, including the reasonable fees, disbursements and other charges of counsel to Holder, and shall indemnify and hold harmless Holder and his affiliates and its and their respective directors, officers, employees, agents, trustees and advisors from and against any and all other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, and documented costs, out-of-pocket expenses or disbursements of any kind or nature whatsoever, including fees, disbursements and other charges of counsel, with respect to the execution, delivery, enforcement, performance and administration of this Note. The agreements in this Section 7 shall survive repayment of this Note.

7. Execution. This Note may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

8. Governing Law. **THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.**

[SEPARATE SIGNATURE PAGES TO BE ATTACHED]

Nine West Canada LP, as Issuer:

BY: Jones Canada, Inc., its General partner

By: 

Name: Ralph A. Schipani

Title: President

[Signature Page to Revolving Intercompany Note]

Nine West Holdings, Inc., as Holder:

By: 

Name: Ralph A. Schipani

Title: President

[Signature Page to Revolving Intercompany Note]

EXHIBIT “F”

THIS IS EXHIBIT "F", referred to in the
Affidavit of Ralph Schipani, sworn on
April 6, 2018.


Commissioner for Taking Affidavits

KATHERINE BLAUKOPF
NOTARY PUBLIC, State of New York
No. 01BL0024412
Qualified in New York County
Commission Expires May 20, 2019

SECURITY AGREEMENT

Security Agreement (as amended, modified, supplemented, restated or replaced from time to time, this "Agreement") dated as of October 18, 2017 made by Nine West Canada LP, a limited partnership existing under the laws of Ontario (together with its successors and assigns, the "Obligor") to and in favour of Nine West Management Service LLC together with its successors and assigns, the "Lender".

WHEREAS the Lender has agreed to make loans available from time to time to the Obligor on the terms and conditions contained in the Promissory Note;

WHEREAS it is a condition precedent to the extension of the loans to the Obligor under the Promissory Note that the Obligor execute and deliver this Agreement in favour of the Lender;

NOW THEREFORE for good and valuable consideration, the receipt of which is hereby acknowledged, the Obligor agrees, for the benefit of the Lender, as follows:

Section 1 Defined Terms; Interpretation.

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

"Collateral" has the meaning specified in Section 2.

"Encumbrance" means any mortgage, charge, pledge, hypothecation, security interest, assignment by way of security, lien (statutory or otherwise), encumbrance, conditional sale agreement, capital lease, deposit arrangement, title retention agreement, and any other agreement, trust or arrangement that in substance secures payment or performance of an obligation.

"Event of Default" has the meaning specified in the Promissory Note.

"Expenses" has the meaning specified in Section 3(b).

"Loan Documents" means the Promissory Note, this Agreement, and all documents to be executed and delivered to the Lender by the Obligor from time to time in connection with the Promissory Note.

"Person" means a natural person, partnership, corporation, joint stock company, trust, unincorporated association, joint venture or other entity or governmental entity, and pronouns have a similarly extended meaning.

"Promissory Note" means the revolving intercompany note issued on the date hereof by the Obligor and to the Lender, as the same may be amended, modified, extended, renewed, replaced, restated or supplemented from time to time, and includes any agreement extending the maturity of or restructuring all or any portion of, the indebtedness under such intercompany note or any successor note, whether or not with the same Lender.

“Secured Obligations” has the meaning specified in Section 3(a).

“Security Interest” has the meaning specified in Section 3.

- (2) Terms defined in the *Personal Property Security Act* (Ontario) (as amended from time to time, the “PPSA”) or the *Securities Transfer Act, 2006* (Ontario) (“STA”) and used but not otherwise defined in this Agreement have the same meanings. Capitalized terms used in this Agreement but not defined have the meanings given to them in the Promissory Note.
- (3) In this Agreement the words “including”, “includes” and “include” mean “including (or includes or include) without limitation”. The expressions “Section” and other subdivision followed by a number mean and refer to the specified Section or other subdivision of this Agreement. Words importing the singular number only include the plural and vice versa. The division of this Agreement into Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect its interpretation.
- (4) Any reference to this Agreement or any other Loan Documents refers to this Agreement or such other Loan Documents as the same may have been or may from time to time be amended, modified, extended, renewed, restated, replaced or supplemented and includes all schedules attached to it. Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules and regulations made under it as the same may have been or may from time to time be amended or re-enacted.
- (5) Any reference in this Agreement to an Encumbrance permitted by this Agreement is not intended to subordinate or postpone, and shall not be interpreted as subordinating or postponing, or as any agreement to subordinate or postpone, any Encumbrance created by any of the Loan Documents to any Encumbrance permitted hereunder.

Section 2 Grant of Security.

The Obligor grants to the Lender a security interest in, and assigns, mortgages, charges, hypothecates and pledges to the Lender all of the property and undertaking of the Obligor now owned or hereafter acquired and all of the property and undertaking in which the Obligor now has or hereafter acquires any interest (collectively, the “Collateral”) including all of the Obligor’s:

- (a) present and after acquired property;
- (b) inventory including goods held for sale, lease or resale, goods furnished or to be furnished to third parties under contracts of lease, consignment or service, goods which are raw materials or work in process, goods used in or procured for packing and materials used or consumed in the business of the Obligor;
- (c) equipment, machinery, furniture, fixtures, plant, vehicles and other goods of every kind and description and all licences and other rights and all related

records, files, charts, plans, drawings, specifications, manuals and documents;

- (d) accounts due or accruing and all related agreements, books, accounts, invoices, letters, documents and papers recording, evidencing or relating to them;
- (e) money, documents of title, chattel paper, financial assets and investment property;
- (f) securities accounts and all of the credit balances, security entitlements, other financial assets and items or property (or their value) standing to the credit from time to time in such securities accounts;
- (g) instruments and securities;
- (h) intangibles including all security interests, goodwill, choses in action, contracts, contract rights, licenses and other contractual benefits;
- (i) intellectual property;
- (j) all substitutions and replacements of and increases, additions and, where applicable, accessions to the property described in Section 2(a) through Section 2(i) inclusive; and
- (k) all proceeds in any form derived directly or indirectly from any dealing with all or any part of the property described in Section 2(a) through Section 2(j) inclusive, including the proceeds of such proceeds.

Section 3 Obligations Secured.

The security interest, assignment, mortgage, charge, hypothecation and pledge granted by this Agreement (collectively, the "Security Interest") secures the payment and performance of:

- (a) all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by the Obligor to the Lender in any currency, under, in connection with or pursuant to the Promissory Note and any other Loan Documents, and whether incurred by the Obligor alone or jointly with another or others and whether as principal, guarantor, or surety and in whatever name or style (collectively, and together with the Expenses, the "Secured Obligations"); and
- (b) all expenses, costs and charges incurred by or on behalf of the Lender in connection with this Agreement, the Security Interest or the Collateral, including all legal fees, court costs, receiver's or agent's remuneration and other expenses of taking possession of, repairing, protecting, insuring, preparing for disposition, realizing, collecting, selling, transferring,

delivering or obtaining payment for the Collateral, and of taking, defending or participating in any action or proceeding in connection with any of the foregoing matters or otherwise in connection with the Lender's interest in any Collateral, whether or not directly relating to the enforcement of this Agreement or any other Loan Document (collectively, the "Expenses").

Section 4 Attachment.

- (1) The Obligor acknowledges that (i) value has been given, (ii) it has rights in the Collateral or the power to transfer rights in the Collateral to the Lender (other than after-acquired Collateral), (iii) it has not agreed to postpone the time of attachment of the Security Interest, and (iv) it has received a copy of this Agreement.
- (2) All certificates representing securities owned by the Obligor on the date of this Agreement have been delivered to the Lender, and the Obligor does not maintain any securities accounts. If the Obligor (i) acquires any securities, (ii) acquires any instruments or negotiable documents of title, or (iii) establishes or maintains a securities account, the Obligor will notify the Lender in writing within fifteen (15) days after such acquisition or establishment.
- (3) The Obligor will take all action that the Lender deems advisable to cause the Lender to have control over any securities or other investment property that are now or at any time become Collateral, and will (i) deliver to and deposit with the Lender any instruments that are Collateral, (ii) cause the transfer of any instruments to the Lender to be registered wherever such registration may be required or advisable in the opinion of the Lender, (iii) endorse any instruments to the Lender or in blank or register them in the name of the Lender or its nominee or otherwise as the Lender may direct, and (iv) deliver to the Lender any and all consents or other documents that may be necessary to effect the transfer of any instruments to the Lender or any third party.
- (4) The Security Interest does not extend to consumer goods.
- (5) The Security Interest does not extend or apply to the last day of the term of any lease or sublease of real property or any agreement for a lease or sublease of real property, now held or hereafter acquired by the Obligor, but the Obligor will stand possessed of any such last day upon trust to assign and dispose of it as the Lender may reasonably direct.

Section 5 Grant of Licence to Use Intellectual Property.

At such time as the Lender is lawfully entitled to exercise its rights and remedies under Section 9 through Section 17, the Obligor grants to the Lender an irrevocable, nonexclusive licence (exercisable without payment of royalty or other compensation to the Obligor) to use, assign or sublicense any intellectual property in which the Obligor has rights wherever the same may be located, including in such licence access to (i) all media in which any of the licensed items may be recorded or stored, and (ii) all software and computer programs used for compilation or print-out. The license granted under this

Section 5 is to enable the Lender to exercise its rights and remedies under Section 9 through Section 17, inclusive, and for no other purpose.

Section 6 Care and Custody of Collateral.

- (1) The Lender has no obligation to keep Collateral in its possession identifiable.
- (2) Without limiting any other rights or remedies under this Agreement, the Lender may, upon the occurrence and during the continuance of an Event of Default, (i) notify any Person obligated on an instrument, chattel paper, security or account to make payments to the Lender, whether or not the Obligor was previously making collections on such instruments, chattel paper, securities or accounts, and (ii) assume control of any proceeds arising from the Collateral.
- (3) The Lender has no obligation to collect dividends, distributions or interest payable on, or exercise any option or right in connection with, any Collateral. The Lender has no obligation to protect or preserve any Collateral from depreciating in value or becoming worthless and is released from all responsibility for any loss of value. In the physical keeping of any securities, the Lender is only obliged to exercise the same degree of care as it would exercise with respect to its own securities kept at the same place.

Section 7 Rights of the Obligor.

- (1) Until the occurrence of an Event of Default which is continuing, the Obligor is entitled to vote the securities that are part of the Collateral and to receive all dividends and distributions on such securities. Until the occurrence of an Event of Default which is continuing, all rights of the Obligor to vote (under any proxy given by the Lender (or its nominee) or otherwise) or to receive distributions or dividends cease and all such rights become vested solely and absolutely in the Lender.
- (2) Any distributions or dividends received by the Obligor contrary to Section 7(1) or any other moneys or property received by the Obligor after the Security Interest is enforceable will be received as trustee for the Lender and shall be immediately paid over to the Lender.

Section 8 Expenses.

The Obligor is liable for and will pay on demand by the Lender any and all Expenses.

Section 9 Enforcement.

The Security Interest becomes and is enforceable against the Obligor upon the occurrence and during the continuance of an Event of Default.

Section 10 Remedies.

Upon the occurrence and during the continuance of an Event of Default, the Lender may realize upon the Collateral and enforce the rights of the Lender by:

- (a) entry onto any premises where Collateral consisting of tangible personal property may be located;
- (b) entry into possession of the Collateral by any method permitted by law;
- (c) sale, grant of options to purchase, or lease of all or any part of the Collateral;
- (d) holding, storing and keeping idle or operating all or any part of the Collateral;
- (e) exercising and enforcing all rights and remedies of a holder of the Collateral as if the Lender was the absolute owner thereof (including, if necessary, causing the Collateral to be registered in the name of the Lender or its nominee if not already done);
- (f) collection of any proceeds arising in respect of the Collateral;
- (g) collection, realization or sale of, or other dealing with, accounts;
- (h) license or sublicense, whether on an exclusive or nonexclusive basis, of any intellectual property for such term and on such conditions and in such manner as the Lender in its sole judgment determines (taking into account such provisions as may be necessary to protect and preserve such intellectual property);
- (i) instruction or order to any issuer or securities intermediary pursuant to any control the Lender has over the Collateral;
- (j) instruction to any bank to transfer all moneys constituting Collateral held by such bank to an account maintained with or by the Lender;
- (k) appointment by instrument in writing of a receiver (which term as used in this Agreement includes a receiver and manager) or agent of all or any part of the Collateral and removal or replacement from time to time of any receiver or agent;
- (l) institution of proceedings in any court of competent jurisdiction for the appointment of a receiver of all or any part of the Collateral;
- (m) institution of proceedings in any court of competent jurisdiction for sale or foreclosure of all or any part of the Collateral;
- (n) filing of proofs of claim and other documents to establish claims to the Collateral in any proceeding relating to the Obligor; and
- (o) any other remedy or proceeding authorized or permitted under the PPSA or otherwise by law or equity.

Section 11 Additional Rights.

In addition to the remedies set forth in Section 10 and elsewhere in this Agreement, the Lender may, whenever the Security Interest is enforceable:

- (a) require the Obligor, at the Obligor's expense, to assemble the Collateral at a place or places designated by notice in writing and the Obligor agrees to so assemble the Collateral immediately upon receipt of such notice;
- (b) require the Obligor, by notice in writing, to disclose to the Lender the location or locations of the Collateral and the Obligor agrees to promptly make such disclosure when so required;
- (c) repair, process, modify, complete or otherwise deal with the Collateral and prepare for the disposition of the Collateral, whether on the premises of the Obligor or otherwise;
- (d) redeem any prior security interest against any Collateral, procure the transfer of such security interest to itself, or settle and pass the accounts of the prior mortgagee, chargee or encumbrancer (any accounts to be conclusive and binding on the Obligor);
- (e) pay any liability secured by any Encumbrance against any Collateral (the Obligor will immediately on demand reimburse the Lender for all such payments);
- (f) carry on all or any part of the business of the Obligor and, to the exclusion of all others including the Obligor, enter upon, occupy and use all or any of the premises, buildings, and other property of or used by the Obligor for such time as the Lender sees fit, free of charge, and the Lender shall not be liable to the Obligor for any act, omission or negligence in so doing or for any rent, charges, depreciation or damages incurred in connection with or resulting from such action;
- (g) borrow for the purpose of carrying on the business of the Obligor or for the maintenance, preservation or protection of the Collateral and grant a security interest in the Collateral, whether or not in priority to the Security Interest, to secure repayment;
- (h) commence, continue or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Collateral, and give good and valid receipts and discharges in respect of the Collateral and compromise or give time for the payment or performance of all or any part of the accounts or any other obligation of any third party to the Obligor; and
- (i) at any public sale, and to the extent permitted by law on any private sale, bid for and purchase any or all of the Collateral offered for sale and upon compliance with the terms of such sale, hold, retain and dispose of such

Collateral without any further accountability to the Obligor or any other Person with respect to such holding, retention or disposition, except as required by law. In any such sale to the Lender, the Lender may, for the purpose of making payment for all or any part of the Collateral so purchased, use any claim for Secured Obligations then due and payable to it as a credit against the purchase price.

Section 12 Exercise of Remedies.

The remedies under Section 10 and Section 11 may be exercised from time to time separately or in combination and are in addition to, and not in substitution for, any other rights of the Lender however arising or created. The Lender is not bound to exercise any right or remedy, and the exercise of rights and remedies is without prejudice to the rights of the Lender in respect of the Secured Obligations including the right to claim for any deficiency.

Section 13 Receiver's Powers.

- (1) Any receiver appointed by the Lender shall be vested with the rights and remedies which could have been exercised by the Lender in respect of the Obligor or the Collateral and such other powers and discretions as are granted in the instrument of appointment and any supplemental instruments. The identity of the receiver, its replacement and its remuneration shall be within the sole and unfettered discretion of the Lender.
- (2) Any receiver appointed by the Lender shall act as agent for the Lender for the purposes of taking possession of the Collateral, but otherwise and for all other purposes (except as provided below), as agent for the Obligor. The receiver may sell, lease, or otherwise dispose of Collateral as agent for the Obligor or as agent for the Lender as the Lender may determine in its discretion. The Obligor agrees to ratify and confirm all actions of the receiver acting as agent for the Obligor, and to release and indemnify the receiver in respect of all such actions.
- (3) The Lender, in appointing or refraining from appointing any receiver, shall not incur liability to the receiver, the Obligor or otherwise and shall not be responsible for any misconduct or negligence of the receiver.

Section 14 Appointment of Attorney.

The Obligor hereby irrevocably constitutes and appoints the Lender (and any officer of the Lender) the true and lawful attorney of the Obligor. As the attorney of the Obligor, the Lender has the power to exercise for and in the name of the Obligor with full power of substitution, upon the occurrence and during the continuance of an Event of Default, any of the Obligor's right (including the right of disposal), title and interest in and to the Collateral including the execution, endorsement, delivery and transfer of the Collateral to the Lender, its nominees or transferees, and the Lender and its nominees or transferees are hereby empowered to exercise all rights and powers and to perform all acts of ownership with respect to the Collateral to the same extent as the Obligor might do. This power of attorney is irrevocable, is coupled with an interest, has been given for valuable consideration (the

receipt and adequacy of which is acknowledged) and survives, and does not terminate upon, the bankruptcy, dissolution, winding up or insolvency of the Obligor. This power of attorney extends to and is binding upon the Obligor's successors and permitted assigns.

Section 15 Dealing with the Collateral.

- (1) The Lender shall not be obliged to exhaust its recourse against the Obligor or any other Person or against any other security it may hold in respect of the Secured Obligations before realizing upon or otherwise dealing with the Collateral in such manner as the Lender may consider desirable.
- (2) The Lender may grant extensions or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Obligor and with other Persons, sureties or securities as it may see fit without prejudice to the Secured Obligations, the liability of the Obligor or the rights of the Lender in respect of the Collateral.
- (3) Except as otherwise provided by law or this Agreement, the Lender shall not be (i) liable or accountable for any failure to collect, realize or obtain payment in respect of the Collateral, (ii) bound to institute proceedings for the purpose of collecting, enforcing, realizing or obtaining payment of the Collateral or for the purpose of preserving any rights of any Persons in respect of the Collateral, (iii) responsible for any loss occasioned by any sale or other dealing with the Collateral or by the retention of or failure to sell or otherwise deal with the Collateral, or (iv) bound to protect the Collateral from depreciating in value or becoming worthless.

Section 16 Standards of Sale.

Without prejudice to the ability of the Lender to dispose of the Collateral in any manner which is commercially reasonable, the Obligor acknowledges that:

- (a) the Collateral may be disposed of in whole or in part;
- (b) the Collateral may be disposed of by public auction, public tender or private contract, with or without advertising and without any other formality;
- (c) any assignee of such Collateral may be the Lender or a customer of the Lender;
- (d) any sale conducted by the Lender will be at such time and place, on such notice and in accordance with such procedures as the Lender, in its sole discretion, may deem advantageous;
- (e) the Collateral may be disposed of in any manner and on any terms necessary to avoid violation of applicable law (including compliance with such procedures as may restrict the number of prospective bidders and purchasers, require that the prospective bidders and purchasers have certain qualifications, and restrict the prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account

for investment and not with a view to the distribution or resale of the Collateral) or in order to obtain any required approval of the disposition (or of the resulting purchase) by any governmental or regulatory authority or official;

- (f) a disposition of Collateral may be on such terms and conditions as to credit or otherwise as the Lender, in its sole discretion, may deem advantageous; and
- (g) the Lender may establish an upset or reserve bid or price in respect of the Collateral.

Section 17 Dealings by Third Parties.

- (1) No Person dealing with the Lender or an agent or receiver shall be required to determine (i) whether the Security Interest has become enforceable, (ii) whether the powers which such Person is purporting to exercise have become exercisable, (iii) whether any money remains due to the Lender by the Obligor, (iv) the necessity or expediency of the stipulations and conditions subject to which any sale or lease is made, (v) the propriety or regularity of any sale or other dealing by the Lender with the Collateral, or (vi) how any money paid to the Lender has been applied.
- (2) Any *bona fide* purchaser of all or any part of the Collateral from the Lender or any receiver or agent shall hold the Collateral absolutely, free from any claim or right of whatever kind, including any equity of redemption, of the Obligor, which it specifically waives (to the fullest extent permitted by law) as against any such purchaser together with all rights of redemption, stay or appraisal which the Obligor has or may have under any rule of law or statute now existing or hereafter adopted.

Section 18 Representations, Warranties and Covenants with Respect to Continuous Perfection.

- (1) The Obligor represents and warrants and covenants and agrees, acknowledging and confirming that the Lender is relying on such representations, warranties, covenants and agreement, that Schedule "A" sets out the Obligor's (i) places of business, (as of this date) and chief executive office, (ii) registered and chief executive office and (iii) jurisdiction of organization. The Obligor will not change the location of its place of business or chief executive office, as the case may be, registered office or jurisdiction of organization without providing at least thirty (30) days prior written notice to the Lender. The Collateral, to the extent not delivered to the Lender pursuant to Section 4, is kept and will be kept at those locations listed on Schedule "A", and the Obligor will not remove the Collateral from such locations, without providing at least thirty (30) days prior written notice to the Lender, provided that Collateral may be moved to another location as long as such other location is in a jurisdiction in which the Lender has a valid and perfected first ranking security interest in the Collateral. The Obligor will not change its name in any manner without providing at least thirty (30) days prior written notice to the Lender.

Section 19 General.

- (1) Any notice, direction or other communication to be given under this Agreement shall be in writing and given in accordance with the Promissory Note.
- (2) The Security Interest shall be discharged upon, but only upon, (i) full and indefeasible payment and performance of the Secured Obligations, and (ii) the Lender having no commitments under any Loan Document. Upon discharge of the Security Interest and at the request and expense of the Obligor, the Lender shall execute and deliver to the Obligor such releases, discharges, financing statements and other documents or instruments as the Obligor may reasonably require and the Lender will redeliver to the Obligor, or as the Obligor may otherwise direct the Lender, any Collateral in its possession.
- (3) This Agreement does not operate by way of merger of any of the Secured Obligations and no judgment recovered by the Lender will operate by way of merger of, or in any way affect, the Security Interest, which is in addition to, and not in substitution for, any other security now or hereafter held by the Lender in respect of the Secured Obligations. The representations, warranties and covenants of the Obligor in this Agreement survive the execution and delivery of this Agreement and any advances made hereunder. Notwithstanding any investigation made by or on behalf of the Lender, the covenants, representations and warranties continue in full force and effect.
- (4) The Obligor will do all acts and things and execute and deliver, or cause to be executed and delivered, all agreements, documents and Instruments that the Lender may require and take all further steps relating to the Collateral or any other property or assets of the Obligor that the Lender may require for (i) protecting the Collateral, (ii) perfecting, preserving and protecting the Security Interest, and (iii) exercising all powers, authorities and discretions conferred upon the Lender. After the Security Interest becomes enforceable, the Obligor will do all acts and things and execute and deliver all documents and instruments that the Lender may require for facilitating the sale or other disposition of the Collateral in connection with its realization.
- (5) This Agreement is in addition to, without prejudice to and supplemental to all other security now held or which may hereafter be held by the Lender.
- (6) This Agreement shall be binding on the Obligor, its successors and assigns, and enures to the benefit of the Lender and its successors and assigns. This Agreement may be assigned by the Lender without the consent of, or notice to, the Obligor, to such Person as the Lender may determine and, in such event, such Person will be entitled to all of the rights and remedies of the Lender as set forth in this Agreement or otherwise. In any action brought by an assignee to enforce any such right, the Obligor shall not assert against the assignee any claim or defence which the Obligor has or may have against the Lender. The Obligor may not assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Lender which may be unreasonably withheld.

- (7) If any court of competent jurisdiction determines any provision of this Agreement to be illegal, invalid or unenforceable, that provision will be severed from this Agreement and the remaining provisions will remain in full force and effect.
- (8) This Agreement may only be amended, supplemented or otherwise modified by written agreement executed by the Lender and the Obligor.
- (9) No consent or waiver by the Lender in respect of this Agreement is binding unless made in writing and signed by an authorized officer of the Lender. Any consent or waiver given under this Agreement is effective only in the specific instance and for the specific purpose for which given. No waiver of any of the provisions of this Agreement constitutes a waiver of any other provision. A failure or delay on the part of the Lender in exercising a right under this Agreement does not operate as a waiver of, or impair, any right of the Lender however arising. A single or partial exercise of a right on the part of the Lender does not preclude any other or further exercise of that right or the exercise of any other right by the Lender.
- (10) This Agreement will be governed by, interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

[Signature page follows]

IN WITNESS WHEREOF the Obligor has executed this Agreement.

NINE WEST CANADA LP, by its general
partner, JONES CANADA, INC.

By: 

Name: Ralph A. Schipani

Title: President

SCHEDULE "A"
RELEVANT JURISDICTIONS

(i) Places of Business

Address	City	Province	Postal Code
261055 CrossIron Boulevard	Rocky View	AB	T4A OG3
751 3 Street S.W.	Calgary	AB	T2P 4K8
3625 Shaganappi Trail N.W.	Calgary	AB	T3A 0E2
2077, 8882 170 Street	Edmonton	AB	T5T 4J2
100200102 Avenue	Edmonton	AB	T5J 4B7
6455 Macleod Trail S.W.	Calgary	AB	T2H 0K8
5000 Canoe Pass Way	Tsawwassen First Nation	BC	V4M 4G9
6551 Mp 3 Road	Richmond	BC	V6Y 2B6
4720 Kingsway	Burnaby	BC	V5H 4N2
701 W. Georgia Street	Vancouver	BC	V7Y 1G5
555 Sterling Lyon Parkway	Winnipeg	MB	R3P1E9
145 Portage Avenue	Winnipeg	MB	R3G 0W4
21 Mic Mac Boulevard	Dartmouth	NS	B3A 4N3
1250 S Service Road	Mississauga	ON	L5E 1V4
1 Bass Pro Mills Drive	Vaughan	ON	L4K 5W4
6045 Mavis Rd Unit #11	Mississauga	ON	L5R 4G6
3311 Shore Acres Road	Innisfil	ON	LOL 1L0
1555 Talbot Road	Windsor	ON	N8H 2N2
7 Maginn Mews	Toronto	ON	M3C 0G8
13850 Steles Avenue West	Halton Hills	ON	L7G 0J1

300 Taylor Road	Niagara	ON	L0S 1J0
8555 Campeau Drive	Ottawa	ON	K2T 0K5
39 Orfus Road	Toronto	ON	M6A 1L7
100 City Centre Drive	Mississauga	ON	L5B 2C9
3401 Dufferin Street	Toronto	ON	M6A 2T9
25 The West Mall	Toronto	ON	M9C 1B8
220 Yonge Street	Toronto	ON	M5B 2H1
2901 Bayview Avenue Uni 113	Toronto	ON	M2K 1E6
100 King Street West	Toronto	ON	M5X 1B5
150 Lesmill Road	Oakville	ON	M3B 2T5
1 Promenade Circle	Thornhill	ON	L4J 4P8
1800 Sheppard Avenue East	Toronto	ON	M2J 5A7
300 Borough Drive	Scarborough	ON	M1P 4P5
1680 Richmond Street North	London	ON	N6G 3Y9
900 Maple Avenue	Burlington	ON	L7s 2J8
1446 Don Mills Road	Toronto	ON	M3B 3N6
150 Duncan Mill Road	Toronto	ON	M3B 23M4
2464 Autoroute Chomedey	Laval	QC	H7X 4GB
19001 Chemin Notre-Dame Ste 231	Mirabel	QC	J7J 0T1
3003 LeCarefour Boulevard	Laval	QC	H7T 1C7
6801 Route Transcanadienne	Pointe-Claire	QC	H9R 5J2
2450 Boulevard Lanier	Quebec	QC	G1V 2L1

(ii) Chief Executive Office

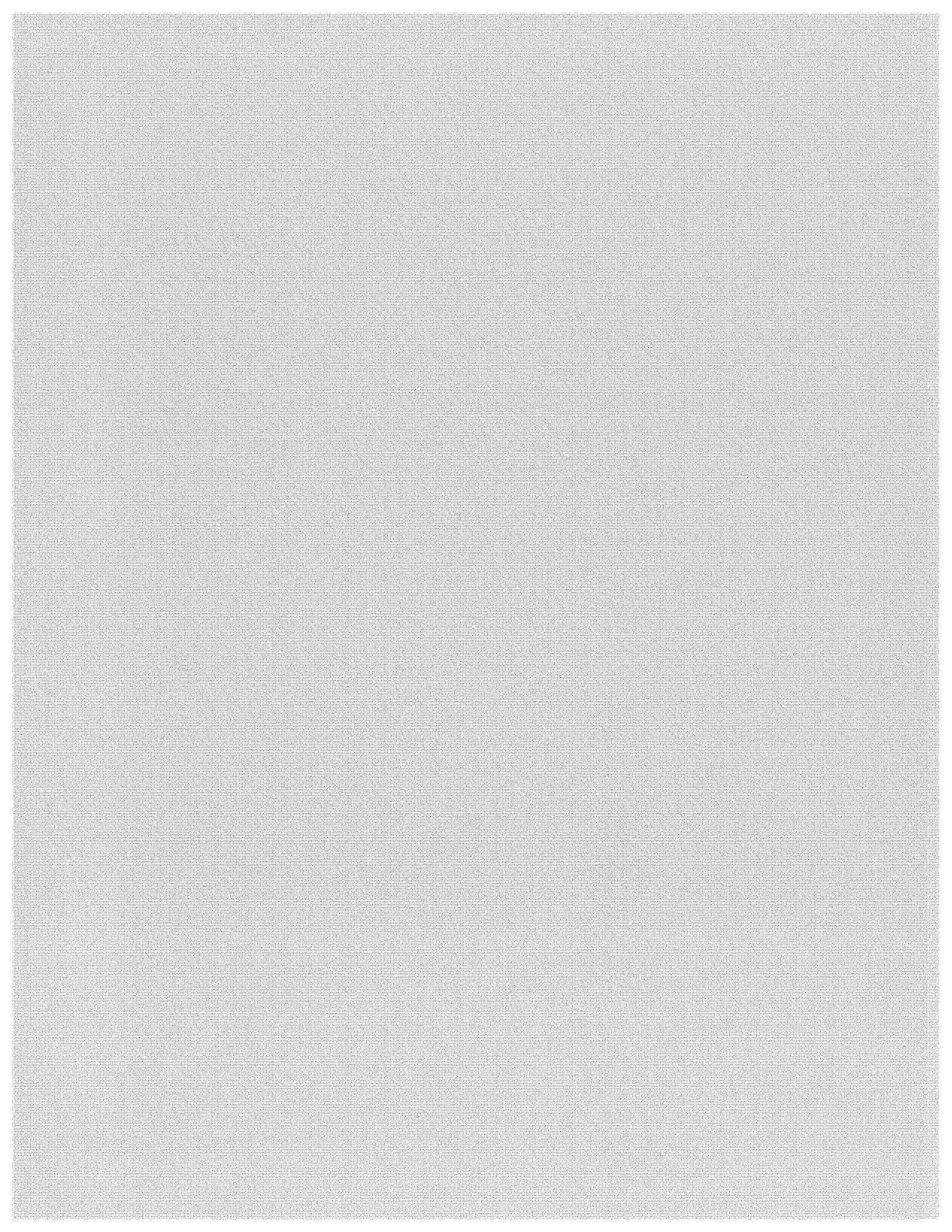
388 Applewood Crescent

Vaughan Ontario

L4K 4B4

(iii) Jurisdiction of Organization

1. Ontario



HYPOTHEC ON MOVABLES

October 18, 2017

BY: NINE WEST CANADA LP (the "Grantor")

IN FAVOUR OF: NINE WEST MANAGEMENT SERVICE LLC (the "Creditor")

WHEREAS the Creditor has agreed to make loans available from time to time to the Grantor on the terms and conditions contained in the Promissory Note (as defined below); and

WHEREAS it is a condition precedent to the extension of the loans to the Grantor under the Promissory Note that the Grantor execute and deliver this Agreement in favour of the Creditor.

NOW THEREFORE, the Grantor agrees, for the benefit of the Creditor, as follows:

1. INTERPRETATION

1.1 Definitions

Capitalized terms used and not otherwise defined in this Agreement have the meanings ascribed to them in the Promissory Note. As used in this Agreement, the following terms have the following meanings:

- 1.1.1 "Business Day" means any day other than Saturday, Sunday or any other day on which banking institutions in New York, New York or Toronto, Ontario are not open for the transaction of normal banking business.
- 1.1.2 "Canadian Dollars" or "Cdn\$" means the legal currency in Canada;
- 1.1.3 "Charged Property" has the meaning ascribed thereto in Article 2 hereof;
- 1.1.4 "Civil Code" means the *Civil Code of Québec*, as amended from time to time;
- 1.1.5 "Claims" means, regardless of the debtors or situs thereof, any and all of the Grantor's claims, debts and demands that form part of the Charged Property, whatever their cause or nature, whether or not they are certain, liquid or exigible; whether or not evidenced by any title (and whether or not such title is negotiable), notes, acceptances, bills of exchange or drafts; whether litigious or not; whether or not they have been previously or are to be invoiced; and whether or not they constitute book debts;
- 1.1.6 "Conventional Security" means a conventional hypothec, a resolatory right, a right of redemption, a reservation of ownership, a trust and any security device or other real right, whether or not capable of registration, granted by agreement for the purpose of securing the performance of an obligation;

- 1.1.7 "Creditor" means Nine West Management Service LLC, and each of its successors and permitted assigns;
- 1.1.8 "Default" has the meaning ascribed thereto in Article 8 hereof;
- 1.1.9 "Expenses" has the meaning ascribed thereto in Section 4.1.1 hereof;
- 1.1.10 "Grantor" means Nine West Canada LP and each of its successors and permitted assigns;
- 1.1.11 "Hypothec" has the meaning ascribed thereto in Section 2.1 hereof;
- 1.1.12 "Loan Document" means any of the Promissory Note, the Security Agreement, this Agreement, and all documents to be executed and delivered to the Creditor by the Grantor from time to time in connection with the Promissory Note;
- 1.1.13 "Promissory Note" means the revolving intercompany note issued on the date hereof by the Grantor to the Creditor, as the same may be amended, modified, extended, renewed, replaced, restated or supplemented from time to time, and includes any agreement extending the maturity of or restructuring all or any portion of, the indebtedness under such revolving intercompany note or any successor note, whether or not with the same Creditor;
- 1.1.14 "Receiver" has the meaning ascribed thereto in Section 9.7.1 hereof;
- 1.1.15 "Restricted Property" has the meaning ascribed thereto in Section 2.3 hereof;
- 1.1.16 "Security Agreement" means the security agreement dated the date hereof entered into by the Grantor in favour of the Creditor;
- 1.1.17 "Secured Obligations" means all of the obligations which are to be secured by the Hypothec pursuant to Article 4 hereof; and
- 1.1.18 "This Agreement", "these presents", "herein", "hereby", "hereunder", "hereof" and similar expressions refer to this Agreement, and to any agreement or document supplemental or complementary hereto or amending this Agreement.

1.2 Gender and Number

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

1.3 Headings and Recitals

The division of this Agreement into Articles, Sections, subsections, paragraphs and subparagraphs and the insertion of headings are for convenient reference only and do not affect the interpretation of the present Agreement. Unless otherwise indicated, a reference to a particular Article, Section, subsection, paragraph or subparagraph is a reference to the particular Article, Section, subsection, paragraph or subparagraph in this Agreement.

1.4 Benefits of this Agreement

The parties hereto will be bound by the provisions hereof and the benefits, rights, remedies or claims under this Agreement will enure to them to the exclusion of any others.

1.5 Delays and Calculation of Delays

The delays provided hereunder are calculated simultaneously with the delays imposed by applicable law and are not in addition to such delays. In the calculation of delays, the first day is not included but the last is. When the date on which a delay expires or a payment has to be made or an act has to be done is not a Business Day, the delay expires or the payment must be made or the act must be done on the following Business Day, unless the context indicates otherwise.

1.6 Primacy of Promissory Note

In the event of any inconsistency, contradiction or conflict between the provisions hereof and the provisions of the Promissory Note, the provisions of the Promissory Note will prevail to the extent of such inconsistency, contradiction or conflict, save and except in respect of the provisions of this Agreement which relate to the creation and enforcement of the Hypothec, which provisions will prevail over the provisions of the Promissory Note.

1.7 Certain Phrases

In this Agreement, the words "including", "includes" and "include" and any derivatives of such words mean, "including (or includes or include) without limitation".

2. HYPOTHEC: DESCRIPTION OF CHARGED PROPERTY

2.1 Hypothec

The Grantor hereby hypothecates in favour of the Creditor (the "**Hypothec**"), the universality of all of the Grantor's movable property, corporeal and incorporeal, present and future, of whatever nature and kind and wherever situate (the "**Charged Property**").

2.2 Replacement Property

Any and all Charged Property which is acquired, transformed or manufactured after the date of this Agreement will be charged by the Hypothec, (i) whether or not such property has been acquired in replacement of other Charged Property which may have been alienated by the Grantor in the ordinary course of business, (ii) whether or not such property results from a transformation, mixture or combination of any Charged Property, and (iii) in the case of securities, whether or not they have been issued pursuant to the purchase, redemption, conversion or cancellation or any other transformation of the charged securities, and, the whole, without the Creditor being required to register or re-register any notice whatsoever, the property charged under the Hypothec being the universality of the Grantor's present and future movable property.

2.3 Limitations regarding Certain Charged Property

If any of the Charged Property may not be assigned, subleased, charged or encumbered without the leave, license, consent or approval of the applicable counterparty, governmental authority or any other person (the "Restricted Property"), the Hypothec herein created on any Restricted Property is under the suspensive condition of obtaining such leave, license, consent or approval. Upon obtaining the applicable leave, license, consent or approval, the Hypothec will apply in respect of the relevant Restricted Property without regard to this Section 2.3 and without the necessity of any further act or delivery by any person.

3. AMOUNT OF THE HYPOTHEC

3.1 Amount

The amount for which the Hypothec is granted is a principal amount of Ten Million Canadian Dollars (Cdn\$10,000,000) with interest thereon from the date of this Agreement at the rate of twenty-five percent (25%) per annum.

4. SECURED OBLIGATIONS

4.1 Obligations

4.1.1 The Hypothec secures the payment and performance of:

- (a) all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by the Grantor to the Creditor in any currency, under, in connection with or pursuant to the Promissory Note and any other Loan Document to which the Grantor is a party, and whether incurred by the Grantor alone or jointly with another or others and whether as principal, guarantor or surety and in whatever name or style (collectively, and together with the Expenses, the "Secured Obligations"); and
- (b) all expenses, costs and charges incurred by or on behalf of the Creditor in connection with this Agreement, the Hypothec or the Charged Property, including all legal fees, court costs, receiver's or agent's remuneration and other expenses of taking possession of, repairing, protecting, insuring, preparing for disposition, realizing, collecting, selling, transferring, delivering or obtaining payment for the Charged Property, and of taking, defending or participating in any action or proceeding in connection with any of the foregoing matters or otherwise in connection with the Creditor's interest in any of the Charged Property, whether or not directly relating to the enforcement of this Agreement or any other Loan Document (collectively, the "Expenses").

4.1.2 Any future obligation hereby secured will be deemed to be one in respect of which the Grantor has once again obligated itself hereunder according to the provisions of Article 2797 of the Civil Code.

5. ADDITIONAL PROVISIONS PERTAINING TO CLAIMS

5.1 Authorization to Collect

The Creditor hereby authorizes the Grantor to collect all Claims. However, upon the occurrence and continuance of a Default, which has not been waived by the Creditor, such authorization may be withdrawn by the Creditor by written notice with respect to all or any part of the Claims, whereupon the Creditor will be free to itself effect such collection and to exercise any of the rights referred to in Section 5.2 below. The Grantor shall then remit to the Creditor all records, books, invoices, bills, contracts, titles, papers and other documents related to the Claims. If sums payable under such Claims and property are paid to the Grantor after such authorization is withdrawn (and even if such withdrawal is not yet registered or delivered to the holders of such Claims), the Grantor will receive same as mandatary of the Creditor and shall remit same to the Creditor promptly without the necessity of any demand to this effect.

5.2 Collection

The Creditor may, following the withdrawal of authorization referred to above in Section 5.1, collect all Claims in accordance with what is provided for by applicable law. The Creditor may further exercise any rights regarding such Claims and more particularly, it may grant or refuse any consent which may be required from the Grantor in its capacity as owner of such Claims, and will not, in the exercise of such right, be required to obtain the consent of the Grantor or serve the Grantor any notice thereof, nor will it be under any obligation to establish that the Grantor has refused or neglected to exercise such rights. The Creditor may further grant delays, take or abandon any security, make arrangements with debtors of any Claims, make compromises, grant releases and generally deal at its discretion with matters concerning all Claims without the intervention or consent of the Grantor. In exercising any of the rights referred to in this Section 5.2, the Creditor is relieved of any obligation to inform the Grantor of any irregularity in the payment of any Claim and will not be liable for any loss or damage which may result from the exercise of its rights except in the case of its own intentional or gross fault.

5.3 Render Opposable

If any of the Claims are themselves secured by a Conventional Security or any other right susceptible of publication under applicable law, the Creditor will have the right to accomplish, at the expense of the Grantor, all the formalities required to set up against the third party debtors the hypothecary rights of the Creditor upon such Claims and accessories thereof.

5.4 Assignment of Claims subject to the *Financial Administration Act*

The Grantor hereby assigns to the Creditor by way of absolute assignment all its present and future Claims which are subject to Sections 67 and 68 of the *Financial Administration Act* (Canada) or analogous legislation, as collateral and continuing security for the performance of all Secured Obligations. The Creditor may, at any time, fulfill any of the formalities required by applicable law to make such transfer enforceable.

6. REPRESENTATIONS AND WARRANTIES

The Grantor represents and warrants that:

6.1 Claims secured by Registered Hypothec

It has no Claim which is secured by registered hypothec.

7. COVENANTS

The Grantor covenants:

7.1 Information

To give notice in writing to the Creditor of any change whatsoever in the representations and warranties mentioned in Article 6 hereof.

7.2 Transformation

To refrain from mixing or combining the corporeal Charged Property with other movable property belonging to a third party, or from transforming the same, except in the normal course of the Grantor's business or unless consented to in writing by the Creditor.

8. EVENTS OF DEFAULT

The Grantor will be in default hereunder without notice or other formality, except as provided for in the Promissory Note, and the hypothecary rights hereby constituted will become enforceable upon the occurrence and continuance of an Event of Default under the Promissory Note (a "Default").

9. CREDITOR'S RECOURSES IN CASE OF DEFAULT

9.1 Exercise of Rights

Upon the occurrence of a Default that is continuing, the Creditor may proceed to realize the security created by this Agreement and to exercise any right, recourse or remedy of the Creditor under this Agreement or provided for by applicable law, including any of the hypothecary rights and recourses provided for under the Civil Code.

9.2 Rights of the Creditor

Whatever hypothecary rights the Creditor elects to exercise, the following provisions will apply:

9.2.1 the Creditor may, in its discretion, at the Grantor's expense:

- (a) pursue the transformation of the Charged Property or any work in process or unfinished goods comprised in the Charged Property and complete the manufacture or processing thereof or proceed with any operations to which such

property is submitted by the Grantor in the ordinary course of its business and acquire property for such purposes;

- (b) alienate or dispose of any Charged Property which may be obsolete, may perish or is likely to deteriorate rapidly;
- (c) use for its benefit any information obtained while exercising its rights;
- (d) perform any obligation or covenant of the Grantor;
- (e) exercise any right attached to the Charged Property on such conditions and in such manner as it may determine, acting reasonably, including the granting of licences whether general or special on an exclusive or non-exclusive basis, of any intellectual property charged hereunder;
- (f) for the exercise of any of its rights, utilize without charge the Grantor's premises, whether owned or leased, equipment, machinery, process, information, records, computer programs and intellectual property; and
- (g) maintain or repair the Charged Property;

9.2.2 the Creditor shall exercise its rights in good faith in order to attempt to reduce the Secured Obligations, in a reasonable manner, taking into account all circumstances;

9.2.3 the Creditor may, directly or indirectly, purchase or otherwise acquire any of the Charged Property;

9.2.4 the Creditor, when exercising its rights, may waive any right of the Grantor, with or without consideration therefor;

9.2.5 the Creditor will have no obligation to make an inventory of the Charged Property, to take out any kind of insurance with respect thereto or to grant any security whatsoever;

9.2.6 the Creditor will not be bound to continue to carry on the Grantor's business or to make any productive use of the Charged Property or to maintain such property in operating condition; and

9.2.7 the Grantor shall, upon request of the Creditor, move the Charged Property to, and render it available to the Creditor at, premises designated by the Creditor which, in its opinion, will be more suitable in the circumstances.

9.3 Taking in Payment

If the Creditor elects to exercise its right to take in payment the Charged Property and the Grantor requires that the Creditor instead sell, by itself or under judicial authority, the Charged Property on which such right is exercised, the Grantor acknowledges that the Creditor will not be bound to abandon its recourse of taking in payment unless, prior to the expiry of the time period allocated for surrender, the Creditor (i) has been granted a security satisfactory to it, to ensure that the proceeds of the sale of the Charged Property will be sufficient to pay the

Secured Obligations in full, (ii) has been reimbursed for all reasonable costs and expenses incurred in connection with this Agreement, including all fees of consultants and legal advisers and (iii) has been advanced the necessary sums for the sale of said Charged Property. The Grantor further acknowledges that the Creditor alone is entitled to select the type of sale it may wish to conduct or have conducted.

9.4 Surrender of Charged Property

Upon the occurrence of a Default which is continuing and which has not been waived by the Creditor, the Grantor shall surrender the Charged Property to the Creditor. The Grantor will be deemed to have surrendered the Charged Property which is in the possession of the Creditor, or of a third party on its behalf, if the Creditor has not, within the delays determined by applicable law or by a tribunal to surrender, received written notice from the Grantor to the effect that it intends to contest the exercise of the hypothecary recourse set forth in the prior notice.

9.5 Evaluation

Where the Creditor sells the Charged Property itself, it will not be required to obtain any prior evaluation by a third party.

9.6 Sale of Charged Property

The Creditor may elect to sell the Charged Property after giving such prior notices as may be required by applicable law. The sale may be made with legal warranty given by the Grantor or with complete or partial exclusion of such warranty. The sale may also be made for cash or with a term or under such reasonable conditions as are determined by the Creditor. Upon failure of payment of the purchase price, the Creditor may resiliate or resolve such sale and such Charged Property may then be resold.

9.7 Appointment by Creditor

9.7.1 The Creditor may appoint an agent, a receiver, or a receiver and manager (collectively, a "Receiver") over all or any portion of the Charged Property by written instrument in accordance with Section 9.7.2 or may apply to a court for the appointment of a Receiver to take possession of all or such part of the Charged Property as the Creditor will designate, with such duties, powers and obligations as the court making the appointment will confer, and the Grantor hereby irrevocably consents to the appointment of such Receiver.

9.7.2 The Creditor may appoint, by written instrument, a Receiver of any or all of the Charged Property with such rights, powers and authority (including any or all of the rights, powers and authority of the Creditor under this Agreement) in respect of the Grantor or the Charged Property as may be provided for in the instrument of appointment or any supplemental instrument, and remove or replace any such Receiver from time to time. To the extent permitted by applicable law, any Receiver appointed by the Creditor will be considered to be the agent of the Grantor and not of the Creditor.

9.8 Liability of Grantor

Except if the right of taking in payment is exercised, the Grantor will remain liable to the Creditor for any deficiency remaining after the application of the proceeds of any sale, lease or disposition of the Charged Property by the Creditor.

10. GENERAL PROVISIONS

10.1 Additional Security

This Agreement does not operate as a novation. Further, the Hypothec is in addition to and not in substitution of or in replacement for any other hypothec or security held or which may hereafter be held by the Creditor and will not affect the Creditor's rights of compensation and set-off.

10.2 Indivisible

Every divisible obligation in favour of the Creditor arising out of this Agreement must be performed in its entirety, as if it were indivisible, by each heir or legal representative of any person who is bound therefor.

10.3 Set-off

Provided the Secured Obligations are due and exigible or that the Creditor is entitled to declare them owing and exigible, the Creditor may compensate and set-off any Secured Obligations with any and all amounts then owed to the Grantor by the Creditor in any capacity, whether such amount be exigible or not, and the Creditor will then be deemed to have exercised such right to compensate and set-off as at the time the decision was taken by it even though the appropriate entries have not yet been made in its records.

10.4 Delays

The Creditor may grant delays, take any security or renounce thereto, accept compromises, grant quittances and releases and generally deal, in its entire discretion, with any matters related to the Charged Property, the whole without limiting the rights of the Creditor and without limiting the liability of the Grantor.

10.5 Continuing Security

The Hypothec will be continuing security and will remain in full force and effect despite the repayment from time to time of the whole or of any part of the Secured Obligations or as a result of receipt of any insurance indemnities arising from the loss or damage to any of the Charged Property or by reason of the collection of any Claims hypothecated hereunder. The Hypothec will remain in full force until the execution of a final release and discharge by the Creditor.

10.6 Discharge of Security

The Grantor will be entitled to require a discharge of the Hypothec by notice to the Creditor upon full and indefeasible payment and performance of the Secured Obligations. Upon such notice, the Creditor will execute and deliver in a timely manner to the Grantor the discharge forms and other documents as the Grantor may reasonably require.

10.7 Time of the Essence

The Grantor will be deemed *en demeure* by the mere lapse of time provided for the Grantor to perform its obligations or the expiry of any term therefore, without the Creditor being obliged to serve any notice or prior notice upon the Grantor.

10.8 Cumulative Rights

The rights and recourses of the Creditor hereunder are cumulative and do not exclude any other rights and recourses which the Creditor might have. No waiver by the Creditor of any of the provisions of this Agreement will constitute a waiver of any other provision (whether or not similar) or be deemed to be a waiver with respect to any other future instance involving the same provisions. No waiver will be binding unless executed by the Creditor in writing. The Creditor'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 the Creditor from any further exercise of that right or the exercise of any other right it may have. The Creditor may exercise its rights hereunder without any obligation to exercise any right against any other person liable for payment of the Secured Obligations and without having to enforce any other security granted with respect to the Secured Obligations.

10.9 Designation of Creditor as Mandatary

The Grantor hereby irrevocably appoints the Creditor, who hereby accepts, as its mandatary with full power of substitution and authority for the purposes of this Agreement and for the purpose of carrying out any and all acts, and executing any and all agreements, proxies or other documents which the Creditor may deem useful in order to exercise its rights or which the Grantor neglects or refuses to execute or to carry out, which mandate may be exercised by the Creditor following the occurrence and continuance of a Default.

10.10 Performance

The Creditor may, at its entire discretion, perform any of the obligations of the Grantor under this Agreement, should the Grantor fail to do so in a timely manner.

10.11 Delegation

The Creditor may, at its entire discretion, appoint any person for the purpose of exercising any of its rights, actions or the performance of any covenant resulting from this Agreement or from applicable law. The Creditor may supply such person with any information it holds relating to the Grantor or to the Charged Property.

10.12 Liability

The Creditor will not be liable for material injuries or damages resulting from its fault, or the fault of its agents, officers, consultants or delegates, unless such fault is gross or intentional.

10.13 No Obligations

The Creditor will not have any obligation or liability under the contracts and agreements included in the Charged Property by reason of this Agreement. Furthermore, the Creditor will not be obligated to perform any of the obligations or duties of the Grantor under such contracts and agreements or to take any action to collect or enforce any Claim for payment charged hereunder.

10.14 Successors and Assigns

This Agreement is binding upon and enures to the benefit of each of the Creditor and the Grantor, and their respective successors and assigns.

10.15 Severability

If any provision of this Agreement is determined to be illegal, invalid or unenforceable, in whole or in part, by an arbitrator or any court of competent jurisdiction from which no appeal exists or is taken, that provision or part thereof will be severed from this Agreement and the remaining part of such provision and all other provisions will continue in full force and effect.

10.16 Notices

Any notice, direction or other communication to be given under this Agreement shall be in writing and given in accordance with the Promissory Note.

10.17 Administration by Creditor

The provisions of Title Seven of Book Four of the Civil Code will not apply to any administration by the Creditor under this Agreement.

10.18 Governing Law

This Agreement is governed by, and shall be interpreted and enforced in accordance with the laws of the Province of Quebec, and the federal laws of Canada applicable therein.

10.19 Amendments

This Agreement may only be amended or otherwise modified by written agreement signed by the parties hereto.

10.20 Unilateral

This Agreement need not be signed for acceptance by the Creditor in order to be binding on the Grantor. Such acceptance by the Creditor is to be presumed and cannot be disputed by the Grantor.

10.21 English Language

The parties hereto have agreed that this Agreement as well as any notice, document or instrument relating to it be drawn up in English only. *Les parties aux présentes ont convenu que la présente convention ainsi que tous autres avis, actes ou documents s'y rattachant soient rédigés en anglais seulement.*

[Signature page follows]

The Grantor has signed this Hypothec on Movables as of the date first written above.

NINE WEST CANADA LP, herein acting
and represented by its general partner,
JONES CANADA, INC.

By: 

Name: Ralph A. Schipani

Title: President

Hypothec on Movables in favour of Nine West Management Service LLC

EXHIBIT "G"

*THIS IS EXHIBIT "G", referred to in the
Affidavit of Ralph Schipani, sworn on
April 6, 2018.*

Katherine Blaukopf
Commissioner for Taking Affidavits

KATHERINE BLAUKOPF
NOTARY PUBLIC, State of New York
No. 01810024412
Qualified in New York County
Commission Expires May 10, 2019

SECURITY AGREEMENT

Security Agreement (as amended, modified, supplemented, restated or replaced from time to time, this "Agreement") dated as of October 18, 2017 made by Nine West Canada LP, a limited partnership existing under the laws of Ontario (together with its successors and assigns, the "Obligor") to and in favour of Nine West Holdings, Inc. together with its successors and assigns, the "Lender".

WHEREAS the Lender has agreed to make loans available from time to time to the Obligor on the terms and conditions contained in the Promissory Note;

WHEREAS it is a condition precedent to the extension of the loans to the Obligor under the Promissory Note that the Obligor execute and deliver this Agreement in favour of the Lender;

NOW THEREFORE for good and valuable consideration, the receipt of which is hereby acknowledged, the Obligor agrees, for the benefit of the Lender, as follows:

Section 1 Defined Terms; Interpretation.

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

"Collateral" has the meaning specified in Section 2.

"Encumbrance" means any mortgage, charge, pledge, hypothecation, security interest, assignment by way of security, lien (statutory or otherwise), encumbrance, conditional sale agreement, capital lease, deposit arrangement, title retention agreement, and any other agreement, trust or arrangement that in substance secures payment or performance of an obligation.

"Event of Default" has the meaning specified in the Promissory Note.

"Expenses" has the meaning specified in Section 3(a).

"Loan Documents" means the Promissory Note, this Agreement, and all documents to be executed and delivered to the Lender by the Obligor from time to time in connection with the Promissory Note.

"Person" means a natural person, partnership, corporation, joint stock company, trust, unincorporated association, joint venture or other entity or governmental entity, and pronouns have a similarly extended meaning.

"Promissory Note" means the revolving intercompany note issued on the date hereof by the Obligor and to the Lender, as the same may be amended, modified, extended, renewed, replaced, restated or supplemented from time to time, and includes any agreement extending the maturity of or restructuring all or any portion of, the indebtedness under such intercompany note or any successor note, whether or not with the same Lender.

“Secured Obligations” has the meaning specified in Section 3(a).

“Security Interest” has the meaning specified in Section 3.

- (2) Terms defined in the *Personal Property Security Act* (Ontario) (as amended from time to time, the “PPSA”) or the *Securities Transfer Act, 2006* (Ontario) (“STA”) and used but not otherwise defined in this Agreement have the same meanings. Capitalized terms used in this Agreement but not defined have the meanings given to them in the Promissory Note.
- (3) In this Agreement the words “including”, “includes” and “include” mean “including (or includes or include) without limitation”. The expressions “Section” and other subdivision followed by a number mean and refer to the specified Section or other subdivision of this Agreement. Words importing the singular number only include the plural and vice versa. The division of this Agreement into Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect its interpretation.
- (4) Any reference to this Agreement or any other Loan Documents refers to this Agreement or such other Loan Documents as the same may have been or may from time to time be amended, modified, extended, renewed, restated, replaced or supplemented and includes all schedules attached to it. Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules and regulations made under it as the same may have been or may from time to time be amended or re-enacted.
- (5) Any reference in this Agreement to an Encumbrance permitted by this Agreement is not intended to subordinate or postpone, and shall not be interpreted as subordinating or postponing, or as any agreement to subordinate or postpone, any Encumbrance created by any of the Loan Documents to any Encumbrance permitted hereunder.

Section 2 Grant of Security.

The Obligor grants to the Lender a security interest in, and assigns, mortgages, charges, hypothecates and pledges to the Lender all of the property and undertaking of the Obligor now owned or hereafter acquired and all of the property and undertaking in which the Obligor now has or hereafter acquires any interest (collectively, the “Collateral”) including all of the Obligor’s:

- (a) present and after acquired property;
- (b) inventory including goods held for sale, lease or resale, goods furnished or to be furnished to third parties under contracts of lease, consignment or service, goods which are raw materials or work in process, goods used in or procured for packing and materials used or consumed in the business of the Obligor;
- (c) equipment, machinery, furniture, fixtures, plant, vehicles and other goods of every kind and description and all licences and other rights and all related

records, files, charts, plans, drawings, specifications, manuals and documents;

- (d) accounts due or accruing and all related agreements, books, accounts, invoices, letters, documents and papers recording, evidencing or relating to them;
- (e) money, documents of title, chattel paper, financial assets and investment property;
- (f) securities accounts and all of the credit balances, security entitlements, other financial assets and items or property (or their value) standing to the credit from time to time in such securities accounts;
- (g) instruments and securities;
- (h) intangibles including all security interests, goodwill, choses in action, contracts, contract rights, licenses and other contractual benefits;
- (i) intellectual property;
- (j) all substitutions and replacements of and increases, additions and, where applicable, accessions to the property described in Section 2(a) through Section 2(i) inclusive; and
- (k) all proceeds in any form derived directly or indirectly from any dealing with all or any part of the property described in Section 2(a) through Section 2(j) inclusive, including the proceeds of such proceeds.

Section 3 Obligations Secured.

The security interest, assignment, mortgage, charge, hypothecation and pledge granted by this Agreement (collectively, the "Security Interest") secures the payment and performance of:

- (a) all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by the Obligor to the Lender in any currency, under, in connection with or pursuant to the Promissory Note and any other Loan Documents, and whether incurred by the Obligor alone or jointly with another or others and whether as principal, guarantor, or surety and in whatever name or style (collectively, and together with the Expenses, the "Secured Obligations"); and
- (b) all expenses, costs and charges incurred by or on behalf of the Lender in connection with this Agreement, the Security Interest or the Collateral, including all legal fees, court costs, receiver's or agent's remuneration and other expenses of taking possession of, repairing, protecting, insuring, preparing for disposition, realizing, collecting, selling, transferring,

delivering or obtaining payment for the Collateral, and of taking, defending or participating in any action or proceeding in connection with any of the foregoing matters or otherwise in connection with the Lender's interest in any Collateral, whether or not directly relating to the enforcement of this Agreement or any other Loan Document (collectively, the "Expenses").

Section 4 Attachment.

- (1) The Obligor acknowledges that (i) value has been given, (ii) it has rights in the Collateral or the power to transfer rights in the Collateral to the Lender (other than after-acquired Collateral), (iii) it has not agreed to postpone the time of attachment of the Security Interest, and (iv) it has received a copy of this Agreement.
- (2) All certificates representing securities owned by the Obligor on the date of this Agreement have been delivered to the Lender, and the Obligor does not maintain any securities accounts. If the Obligor (i) acquires any securities, (ii) acquires any instruments or negotiable documents of title, or (iii) establishes or maintains a securities account, the Obligor will notify the Lender in writing within fifteen (15) days after such acquisition or establishment.
- (3) The Obligor will take all action that the Lender deems advisable to cause the Lender to have control over any securities or other investment property that are now or at any time become Collateral, and will (i) deliver to and deposit with the Lender any instruments that are Collateral, (ii) cause the transfer of any instruments to the Lender to be registered wherever such registration may be required or advisable in the opinion of the Lender, (iii) endorse any instruments to the Lender or in blank or register them in the name of the Lender or its nominee or otherwise as the Lender may direct, and (iv) deliver to the Lender any and all consents or other documents that may be necessary to effect the transfer of any instruments to the Lender or any third party.
- (4) The Security Interest does not extend to consumer goods.
- (5) The Security Interest does not extend or apply to the last day of the term of any lease or sublease of real property or any agreement for a lease or sublease of real property, now held or hereafter acquired by the Obligor, but the Obligor will stand possessed of any such last day upon trust to assign and dispose of it as the Lender may reasonably direct.

Section 5 Grant of Licence to Use Intellectual Property.

At such time as the Lender is lawfully entitled to exercise its rights and remedies under Section 9 through Section 17, the Obligor grants to the Lender an irrevocable, nonexclusive licence (exercisable without payment of royalty or other compensation to the Obligor) to use, assign or sublicense any intellectual property in which the Obligor has rights wherever the same may be located, including in such licence access to (i) all media in which any of the licensed items may be recorded or stored, and (ii) all software and computer programs used for compilation or print-out. The license granted under this

Section 5 is to enable the Lender to exercise its rights and remedies under Section 9 through Section 17, inclusive, and for no other purpose.

Section 6 Care and Custody of Collateral.

- (1) The Lender has no obligation to keep Collateral in its possession identifiable.
- (2) Without limiting any other rights or remedies under this Agreement, the Lender may, upon the occurrence and during the continuance of an Event of Default, (i) notify any Person obligated on an instrument, chattel paper, security or account to make payments to the Lender, whether or not the Obligor was previously making collections on such instruments, chattel paper, securities or accounts, and (ii) assume control of any proceeds arising from the Collateral.
- (3) The Lender has no obligation to collect dividends, distributions or interest payable on, or exercise any option or right in connection with, any Collateral. The Lender has no obligation to protect or preserve any Collateral from depreciating in value or becoming worthless and is released from all responsibility for any loss of value. In the physical keeping of any securities, the Lender is only obliged to exercise the same degree of care as it would exercise with respect to its own securities kept at the same place.

Section 7 Rights of the Obligor.

- (1) Until the occurrence of an Event of Default which is continuing, the Obligor is entitled to vote the securities that are part of the Collateral and to receive all dividends and distributions on such securities. Until the occurrence of an Event of Default which is continuing, all rights of the Obligor to vote (under any proxy given by the Lender (or its nominee) or otherwise) or to receive distributions or dividends cease and all such rights become vested solely and absolutely in the Lender.
- (2) Any distributions or dividends received by the Obligor contrary to Section 7(1) or any other moneys or property received by the Obligor after the Security Interest is enforceable will be received as trustee for the Lender and shall be immediately paid over to the Lender.

Section 8 Expenses.

The Obligor is liable for and will pay on demand by the Lender any and all Expenses.

Section 9 Enforcement.

The Security Interest becomes and is enforceable against the Obligor upon the occurrence and during the continuance of an Event of Default.

Section 10 Remedies.

Upon the occurrence and during the continuance of an Event of Default, the Lender may realize upon the Collateral and enforce the rights of the Lender by:

- (a) entry onto any premises where Collateral consisting of tangible personal property may be located;
- (b) entry into possession of the Collateral by any method permitted by law;
- (c) sale, grant of options to purchase, or lease of all or any part of the Collateral;
- (d) holding, storing and keeping idle or operating all or any part of the Collateral;
- (e) exercising and enforcing all rights and remedies of a holder of the Collateral as if the Lender was the absolute owner thereof (including, if necessary, causing the Collateral to be registered in the name of the Lender or its nominee if not already done);
- (f) collection of any proceeds arising in respect of the Collateral;
- (g) collection, realization or sale of, or other dealing with, accounts;
- (h) license or sublicense, whether on an exclusive or nonexclusive basis, of any intellectual property for such term and on such conditions and in such manner as the Lender in its sole judgment determines (taking into account such provisions as may be necessary to protect and preserve such intellectual property);
- (i) instruction or order to any issuer or securities intermediary pursuant to any control the Lender has over the Collateral;
- (j) instruction to any bank to transfer all moneys constituting Collateral held by such bank to an account maintained with or by the Lender;
- (k) appointment by instrument in writing of a receiver (which term as used in this Agreement includes a receiver and manager) or agent of all or any part of the Collateral and removal or replacement from time to time of any receiver or agent;
- (l) institution of proceedings in any court of competent jurisdiction for the appointment of a receiver of all or any part of the Collateral;
- (m) institution of proceedings in any court of competent jurisdiction for sale or foreclosure of all or any part of the Collateral;
- (n) filing of proofs of claim and other documents to establish claims to the Collateral in any proceeding relating to the Obligor; and
- (o) any other remedy or proceeding authorized or permitted under the PPSA or otherwise by law or equity.

Section 11 Additional Rights.

In addition to the remedies set forth in Section 10 and elsewhere in this Agreement, the Lender may, whenever the Security Interest is enforceable:

- (a) require the Obligor, at the Obligor's expense, to assemble the Collateral at a place or places designated by notice in writing and the Obligor agrees to so assemble the Collateral immediately upon receipt of such notice;
- (b) require the Obligor, by notice in writing, to disclose to the Lender the location or locations of the Collateral and the Obligor agrees to promptly make such disclosure when so required;
- (c) repair, process, modify, complete or otherwise deal with the Collateral and prepare for the disposition of the Collateral, whether on the premises of the Obligor or otherwise;
- (d) redeem any prior security interest against any Collateral, procure the transfer of such security interest to itself, or settle and pass the accounts of the prior mortgagee, chargee or encumbrancer (any accounts to be conclusive and binding on the Obligor);
- (e) pay any liability secured by any Encumbrance against any Collateral (the Obligor will immediately on demand reimburse the Lender for all such payments);
- (f) carry on all or any part of the business of the Obligor and, to the exclusion of all others including the Obligor, enter upon, occupy and use all or any of the premises, buildings, and other property of or used by the Obligor for such time as the Lender sees fit, free of charge, and the Lender shall not be liable to the Obligor for any act, omission or negligence in so doing or for any rent, charges, depreciation or damages incurred in connection with or resulting from such action;
- (g) borrow for the purpose of carrying on the business of the Obligor or for the maintenance, preservation or protection of the Collateral and grant a security interest in the Collateral, whether or not in priority to the Security Interest, to secure repayment;
- (h) commence, continue or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Collateral, and give good and valid receipts and discharges in respect of the Collateral and compromise or give time for the payment or performance of all or any part of the accounts or any other obligation of any third party to the Obligor; and
- (i) at any public sale, and to the extent permitted by law on any private sale, bid for and purchase any or all of the Collateral offered for sale and upon compliance with the terms of such sale, hold, retain and dispose of such

Collateral without any further accountability to the Obligor or any other Person with respect to such holding, retention or disposition, except as required by law. In any such sale to the Lender, the Lender may, for the purpose of making payment for all or any part of the Collateral so purchased, use any claim for Secured Obligations then due and payable to it as a credit against the purchase price.

Section 12 Exercise of Remedies.

The remedies under Section 10 and Section 11 may be exercised from time to time separately or in combination and are in addition to, and not in substitution for, any other rights of the Lender however arising or created. The Lender is not bound to exercise any right or remedy, and the exercise of rights and remedies is without prejudice to the rights of the Lender in respect of the Secured Obligations including the right to claim for any deficiency.

Section 13 Receiver's Powers.

- (1) Any receiver appointed by the Lender shall be vested with the rights and remedies which could have been exercised by the Lender in respect of the Obligor or the Collateral and such other powers and discretions as are granted in the instrument of appointment and any supplemental instruments. The identity of the receiver, its replacement and its remuneration shall be within the sole and unfettered discretion of the Lender.
- (2) Any receiver appointed by the Lender shall act as agent for the Lender for the purposes of taking possession of the Collateral, but otherwise and for all other purposes (except as provided below), as agent for the Obligor. The receiver may sell, lease, or otherwise dispose of Collateral as agent for the Obligor or as agent for the Lender as the Lender may determine in its discretion. The Obligor agrees to ratify and confirm all actions of the receiver acting as agent for the Obligor, and to release and indemnify the receiver in respect of all such actions.
- (3) The Lender, in appointing or refraining from appointing any receiver, shall not incur liability to the receiver, the Obligor or otherwise and shall not be responsible for any misconduct or negligence of the receiver.

Section 14 Appointment of Attorney.

The Obligor hereby irrevocably constitutes and appoints the Lender (and any officer of the Lender) the true and lawful attorney of the Obligor. As the attorney of the Obligor, the Lender has the power to exercise for and in the name of the Obligor with full power of substitution, upon the occurrence and during the continuance of an Event of Default, any of the Obligor's right (including the right of disposal), title and interest in and to the Collateral including the execution, endorsement, delivery and transfer of the Collateral to the Lender, its nominees or transferees, and the Lender and its nominees or transferees are hereby empowered to exercise all rights and powers and to perform all acts of ownership with respect to the Collateral to the same extent as the Obligor might do. This power of attorney is irrevocable, is coupled with an interest, has been given for valuable consideration (the

receipt and adequacy of which is acknowledged) and survives, and does not terminate upon, the bankruptcy, dissolution, winding up or insolvency of the Obligor. This power of attorney extends to and is binding upon the Obligor's successors and permitted assigns.

Section 15 Dealing with the Collateral.

- (1) The Lender shall not be obliged to exhaust its recourse against the Obligor or any other Person or against any other security it may hold in respect of the Secured Obligations before realizing upon or otherwise dealing with the Collateral in such manner as the Lender may consider desirable.
- (2) The Lender may grant extensions or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Obligor and with other Persons, sureties or securities as it may see fit without prejudice to the Secured Obligations, the liability of the Obligor or the rights of the Lender in respect of the Collateral.
- (3) Except as otherwise provided by law or this Agreement, the Lender shall not be (i) liable or accountable for any failure to collect, realize or obtain payment in respect of the Collateral, (ii) bound to institute proceedings for the purpose of collecting, enforcing, realizing or obtaining payment of the Collateral or for the purpose of preserving any rights of any Persons in respect of the Collateral, (iii) responsible for any loss occasioned by any sale or other dealing with the Collateral or by the retention of or failure to sell or otherwise deal with the Collateral, or (iv) bound to protect the Collateral from depreciating in value or becoming worthless.

Section 16 Standards of Sale.

Without prejudice to the ability of the Lender to dispose of the Collateral in any manner which is commercially reasonable, the Obligor acknowledges that:

- (a) the Collateral may be disposed of in whole or in part;
- (b) the Collateral may be disposed of by public auction, public tender or private contract, with or without advertising and without any other formality;
- (c) any assignee of such Collateral may be the Lender or a customer of the Lender;
- (d) any sale conducted by the Lender will be at such time and place, on such notice and in accordance with such procedures as the Lender, in its sole discretion, may deem advantageous;
- (e) the Collateral may be disposed of in any manner and on any terms necessary to avoid violation of applicable law (including compliance with such procedures as may restrict the number of prospective bidders and purchasers, require that the prospective bidders and purchasers have certain qualifications, and restrict the prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account

for investment and not with a view to the distribution or resale of the Collateral) or in order to obtain any required approval of the disposition (or of the resulting purchase) by any governmental or regulatory authority or official;

- (f) a disposition of Collateral may be on such terms and conditions as to credit or otherwise as the Lender, in its sole discretion, may deem advantageous; and
- (g) the Lender may establish an upset or reserve bid or price in respect of the Collateral.

Section 17 Dealings by Third Parties.

- (1) No Person dealing with the Lender or an agent or receiver shall be required to determine (i) whether the Security Interest has become enforceable, (ii) whether the powers which such Person is purporting to exercise have become exercisable, (iii) whether any money remains due to the Lender by the Obligor, (iv) the necessity or expediency of the stipulations and conditions subject to which any sale or lease is made, (v) the propriety or regularity of any sale or other dealing by the Lender with the Collateral, or (vi) how any money paid to the Lender has been applied.
- (2) Any *bona fide* purchaser of all or any part of the Collateral from the Lender or any receiver or agent shall hold the Collateral absolutely, free from any claim or right of whatever kind, including any equity of redemption, of the Obligor, which it specifically waives (to the fullest extent permitted by law) as against any such purchaser together with all rights of redemption, stay or appraisal which the Obligor has or may have under any rule of law or statute now existing or hereafter adopted.

Section 18 Representations, Warranties and Covenants with Respect to Continuous Perfection.

- (1) The Obligor represents and warrants and covenants and agrees, acknowledging and confirming that the Lender is relying on such representations, warranties, covenants and agreement, that Schedule "A" sets out the Obligor's (i) places of business, (as of this date) and chief executive office, (ii) registered and chief executive office and (iii) jurisdiction of organization. The Obligor will not change the location of its place of business or chief executive office, as the case may be, registered office or jurisdiction of organization without providing at least thirty (30) days prior written notice to the Lender. The Collateral, to the extent not delivered to the Lender pursuant to Section 4, is kept and will be kept at those locations listed on Schedule "A", and the Obligor will not remove the Collateral from such locations, without providing at least thirty (30) days prior written notice to the Lender, provided that Collateral may be moved to another location as long as such other location is in a jurisdiction in which the Lender has a valid and perfected first ranking security interest in the Collateral. The Obligor will not change its name in any manner without providing at least thirty (30) days prior written notice to the Lender.

Section 19 General.

- (1) Any notice, direction or other communication to be given under this Agreement shall be in writing and given in accordance with the Promissory Note.
- (2) The Security Interest shall be discharged upon, but only upon, (i) full and indefeasible payment and performance of the Secured Obligations, and (ii) the Lender having no commitments under any Loan Document. Upon discharge of the Security Interest and at the request and expense of the Obligor, the Lender shall execute and deliver to the Obligor such releases, discharges, financing statements and other documents or instruments as the Obligor may reasonably require and the Lender will redeliver to the Obligor, or as the Obligor may otherwise direct the Lender, any Collateral in its possession.
- (3) This Agreement does not operate by way of merger of any of the Secured Obligations and no judgment recovered by the Lender will operate by way of merger of, or in any way affect, the Security Interest, which is in addition to, and not in substitution for, any other security now or hereafter held by the Lender in respect of the Secured Obligations. The representations, warranties and covenants of the Obligor in this Agreement survive the execution and delivery of this Agreement and any advances made hereunder. Notwithstanding any investigation made by or on behalf of the Lender, the covenants, representations and warranties continue in full force and effect.
- (4) The Obligor will do all acts and things and execute and deliver, or cause to be executed and delivered, all agreements, documents and Instruments that the Lender may require and take all further steps relating to the Collateral or any other property or assets of the Obligor that the Lender may require for (i) protecting the Collateral, (ii) perfecting, preserving and protecting the Security Interest, and (iii) exercising all powers, authorities and discretions conferred upon the Lender. After the Security Interest becomes enforceable, the Obligor will do all acts and things and execute and deliver all documents and instruments that the Lender may require for facilitating the sale or other disposition of the Collateral in connection with its realization.
- (5) This Agreement is in addition to, without prejudice to and supplemental to all other security now held or which may hereafter be held by the Lender.
- (6) This Agreement shall be binding on the Obligor, its successors and assigns, and enures to the benefit of the Lender and its successors and assigns. This Agreement may be assigned by the Lender without the consent of, or notice to, the Obligor, to such Person as the Lender may determine and, in such event, such Person will be entitled to all of the rights and remedies of the Lender as set forth in this Agreement or otherwise. In any action brought by an assignee to enforce any such right, the Obligor shall not assert against the assignee any claim or defence which the Obligor has or may have against the Lender. The Obligor may not assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Lender which may be unreasonably withheld.


- (7) If any court of competent jurisdiction determines any provision of this Agreement to be illegal, invalid or unenforceable, that provision will be severed from this Agreement and the remaining provisions will remain in full force and effect.
- (8) This Agreement may only be amended, supplemented or otherwise modified by written agreement executed by the Lender and the Obligor.
- (9) No consent or waiver by the Lender in respect of this Agreement is binding unless made in writing and signed by an authorized officer of the Lender. Any consent or waiver given under this Agreement is effective only in the specific instance and for the specific purpose for which given. No waiver of any of the provisions of this Agreement constitutes a waiver of any other provision. A failure or delay on the part of the Lender in exercising a right under this Agreement does not operate as a waiver of, or impair, any right of the Lender however arising. A single or partial exercise of a right on the part of the Lender does not preclude any other or further exercise of that right or the exercise of any other right by the Lender.
- (10) This Agreement will be governed by, interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

[Signature page follows]

IN WITNESS WHEREOF the Obligor has executed this Agreement.

NINE WEST CANADA LP, by its general partner, JONES CANADA, INC.

By:


Name: Ralph A. Schipani

Title: President

SCHEDULE "A"
RELEVANT JURISDICTIONS

(i) Places of Business

Address	City	Province	Postal Code
261055 CrossIron Boulevard	Rocky View	AB	T4A 0G3
751 3 Street S.W.	Calgary	AB	T2P 4K8
3625 Shaganappi Trail N.W.	Calgary	AB	T3A 0E2
2077, 8882 170 Street	Edmonton	AB	T5T 4J2
100200102 Avenue	Edmonton	AB	T5J 4B7
6455 Macleod Trail S.W.	Calgary	AB	T2H 0K8
5000 Canoe Pass Way	Tsawwassen First Nation	BC	V4M 4G9
6551 Mp 3 Road	Richmond	BC	V6Y 2B6
4720 Kingsway	Burnaby	BC	V5H 4N2
701 W. Georgia Street	Vancouver	BC	V7Y 1G5
555 Sterling Lyon Parkway	Winnipeg	MB	R3P1E9
145 Portage Avenue	Winnipeg	MB	R3G 0W4
21 Mic Mac Boulevard	Dartmouth	NS	B3A 4N3
1250 S Service Road	Mississauga	ON	L5E 1V4
1 Bass Pro Mills Drive	Vaughan	ON	L4K 5W4
6045 Mavis Rd Unit #11	Mississauga	ON	L5R 4G6
3311 Shore Acres Road	Innisfil	ON	LOL 1L0
1555 Talbot Road	Windsor	ON	N8H 2N2
7 Maginn Mews	Toronto	ON	M3C 0G8
13850 Steles Avenue West	Halton Hills	ON	L7G 0J1

300 Taylor Road	Niagara	ON	L0S 1J0
8555 Campeau Drive	Ottawa	ON	K2T 0K5
39 Orfus Road	Toronto	ON	M6A 1L7
100 City Centre Drive	Mississauga	ON	L5B 2C9
3401 Dufferin Street	Toronto	ON	M6A 2T9
25 The West Mall	Toronto	ON	M9C 1B8
220 Yonge Street	Toronto	ON	M5B 2H1
2901 Bayview Avenue Uni 113	Toronto	ON	M2K 1E6
100 King Street West	Toronto	ON	M5X 1B5
150 Lesmill Road	Oakville	ON	M3B 2T5
1 Promenade Circle	Thornhill	ON	L4J 4P8
1800 Sheppard Avenue East	Toronto	ON	M2J 5A7
300 Borough Drive	Scarborough	ON	M1P 4P5
1680 Richmond Street North	London	ON	N6G 3Y9
900 Maple Avenue	Burlington	ON	L7s 2J8
1446 Don Mills Road	Toronto	ON	M3B 3N6
150 Duncan Mill Road	Toronto	ON	M3B 23M4
2464 Autoroute Chomedey	Laval	QC	H7X 4GB
19001 Chemin Notre-Dame Ste 231	Mirabel	QC	J7J 0T1
3003 LeCarefour Boulevard	Laval	QC	H7T 1C7
6801 Route Transcanadienne	Pointe-Claire	QC	H9R 5J2
2450 Boulevard Lanier	Quebec	QC	G1V 2L1

(ii) Chief Executive Office

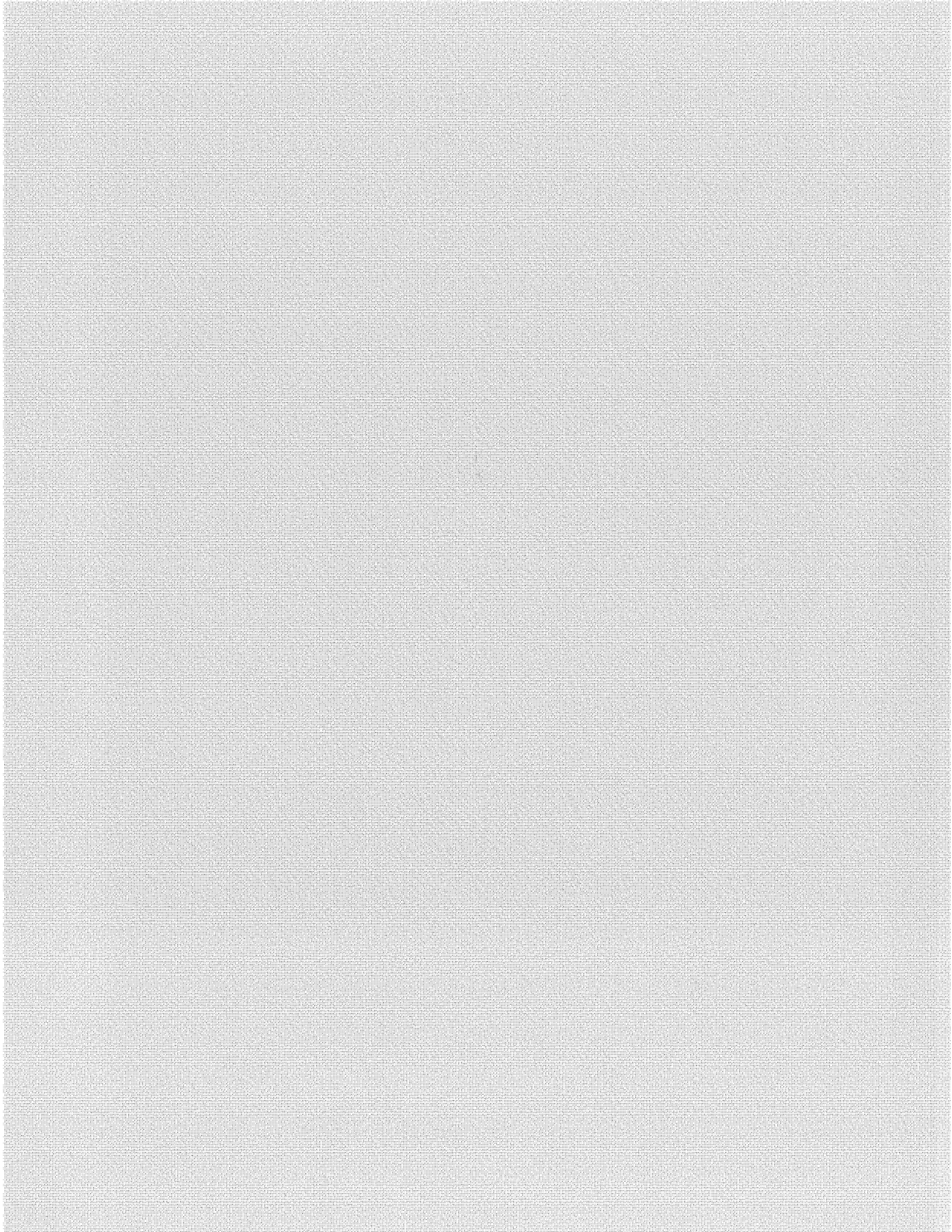
388 Applewood Crescent

Vaughan Ontario

L4K 4B4

(iii) Jurisdiction of Organization

1. Ontario



HYPOTHEC ON MOVABLES

October 18, 2017

BY: NINE WEST CANADA LP (the "Grantor")

IN FAVOUR OF: NINE WEST HOLDINGS, INC. (the "Creditor")

WHEREAS the Creditor has agreed to make loans available from time to time to the Grantor on the terms and conditions contained in the Promissory Note (as defined below); and

WHEREAS it is a condition precedent to the extension of the loans to the Grantor under the Promissory Note that the Grantor execute and deliver this Agreement in favour of the Creditor.

NOW THEREFORE, the Grantor agrees, for the benefit of the Creditor, as follows:

1. INTERPRETATION

1.1 Definitions

Capitalized terms used and not otherwise defined in this Agreement have the meanings ascribed to them in the Promissory Note. As used in this Agreement, the following terms have the following meanings:

- 1.1.1 "Business Day" means any day other than Saturday, Sunday or any other day on which banking institutions in New York, New York or Toronto, Ontario are not open for the transaction of normal banking business.
- 1.1.2 "Canadian Dollars" or "Cdn\$" means the legal currency in Canada;
- 1.1.3 "Charged Property" has the meaning ascribed thereto in Article 2 hereof;
- 1.1.4 "Civil Code" means the *Civil Code of Québec*, as amended from time to time;
- 1.1.5 "Claims" means, regardless of the debtors or situs thereof, any and all of the Grantor's claims, debts and demands that form part of the Charged Property, whatever their cause or nature, whether or not they are certain, liquid or exigible; whether or not evidenced by any title (and whether or not such title is negotiable), notes, acceptances, bills of exchange or drafts; whether litigious or not; whether or not they have been previously or are to be invoiced; and whether or not they constitute book debts;
- 1.1.6 "Conventional Security" means a conventional hypothec, a resolatory right, a right of redemption, a reservation of ownership, a trust and any security device or other real right, whether or not capable of registration, granted by agreement for the purpose of securing the performance of an obligation;

- 1.1.7 "**Creditor**" means Nine West Holdings, Inc., and each of its successors and permitted assigns;
- 1.1.8 "**Default**" has the meaning ascribed thereto in Article 8 hereof;
- 1.1.9 "**Expenses**" has the meaning ascribed thereto in Section 4.1.1 hereof;
- 1.1.10 "**Grantor**" means Nine West Canada LP and each of its successors and permitted assigns;
- 1.1.11 "**Hypothec**" has the meaning ascribed thereto in Section 2.1 hereof;
- 1.1.12 "**Loan Document**" means any of the Promissory Note, the Security Agreement, this Agreement, and all documents to be executed and delivered to the Creditor by the Grantor from time to time in connection with the Promissory Note;
- 1.1.13 "**Promissory Note**" means the revolving intercompany note issued on the date hereof by the Grantor to the Creditor, as the same may be amended, modified, extended, renewed, replaced, restated or supplemented from time to time, and includes any agreement extending the maturity of or restructuring all or any portion of, the indebtedness under such revolving intercompany note or any successor note, whether or not with the same Creditor;
- 1.1.14 "**Receiver**" has the meaning ascribed thereto in Section 9.7.1 hereof;
- 1.1.15 "**Restricted Property**" has the meaning ascribed thereto in Section 2.3 hereof;
- 1.1.16 "**Security Agreement**" means the security agreement dated the date hereof entered into by the Grantor in favour of the Creditor;
- 1.1.17 "**Secured Obligations**" means all of the obligations which are to be secured by the Hypothec pursuant to Article 4 hereof; and
- 1.1.18 "**This Agreement**", "**these presents**", "**herein**", "**hereby**", "**hereunder**", "**hereof**" and similar expressions refer to this Agreement, and to any agreement or document supplemental or complementary hereto or amending this Agreement.

1.2 Gender and Number

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

1.3 Headings and Recitals

The division of this Agreement into Articles, Sections, subsections, paragraphs and subparagraphs and the insertion of headings are for convenient reference only and do not affect the interpretation of the present Agreement. Unless otherwise indicated, a reference to a particular Article, Section, subsection, paragraph or subparagraph is a reference to the particular Article, Section, subsection, paragraph or subparagraph in this Agreement.

1.4 Benefits of this Agreement

The parties hereto will be bound by the provisions hereof and the benefits, rights, remedies or claims under this Agreement will enure to them to the exclusion of any others.

1.5 Delays and Calculation of Delays

The delays provided hereunder are calculated simultaneously with the delays imposed by applicable law and are not in addition to such delays. In the calculation of delays, the first day is not included but the last is. When the date on which a delay expires or a payment has to be made or an act has to be done is not a Business Day, the delay expires or the payment must be made or the act must be done on the following Business Day, unless the context indicates otherwise.

1.6 Primacy of Promissory Note

In the event of any inconsistency, contradiction or conflict between the provisions hereof and the provisions of the Promissory Note, the provisions of the Promissory Note will prevail to the extent of such inconsistency, contradiction or conflict, save and except in respect of the provisions of this Agreement which relate to the creation and enforcement of the Hypothec, which provisions will prevail over the provisions of the Promissory Note.

1.7 Certain Phrases

In this Agreement, the words "including", "includes" and "include" and any derivatives of such words mean, "including (or includes or include) without limitation".

2. HYPOTHEC: DESCRIPTION OF CHARGED PROPERTY

2.1 Hypothec

The Grantor hereby hypothecates in favour of the Creditor (the "**Hypothec**"), the universality of all of the Grantor's movable property, corporeal and incorporeal, present and future, of whatever nature and kind and wherever situate (the "**Charged Property**").

2.2 Replacement Property

Any and all Charged Property which is acquired, transformed or manufactured after the date of this Agreement will be charged by the Hypothec, (i) whether or not such property has been acquired in replacement of other Charged Property which may have been alienated by the Grantor in the ordinary course of business, (ii) whether or not such property results from a transformation, mixture or combination of any Charged Property, and (iii) in the case of securities, whether or not they have been issued pursuant to the purchase, redemption, conversion or cancellation or any other transformation of the charged securities, and, the whole, without the Creditor being required to register or re-register any notice whatsoever, the property charged under the Hypothec being the universality of the Grantor's present and future movable property.

2.3 Limitations regarding Certain Charged Property

If any of the Charged Property may not be assigned, subleased, charged or encumbered without the leave, license, consent or approval of the applicable counterparty, governmental authority or any other person (the "**Restricted Property**"), the Hypothec herein created on any Restricted Property is under the suspensive condition of obtaining such leave, license, consent or approval. Upon obtaining the applicable leave, license, consent or approval, the Hypothec will apply in respect of the relevant Restricted Property without regard to this Section 2.3 and without the necessity of any further act or delivery by any person.

3. AMOUNT OF THE HYPOTHEC

3.1 Amount

The amount for which the Hypothec is granted is a principal amount of Fifty Million Canadian Dollars (Cdn\$50,000,000) with interest thereon from the date of this Agreement at the rate of twenty-five percent (25%) per annum.

4. SECURED OBLIGATIONS

4.1 Obligations

4.1.1 The Hypothec secures the payment and performance of:

- (a) all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by the Grantor to the Creditor in any currency, under, in connection with or pursuant to the Promissory Note and any other Loan Document to which the Grantor is a party, and whether incurred by the Grantor alone or jointly with another or others and whether as principal, guarantor or surety and in whatever name or style (collectively, and together with the Expenses, the "**Secured Obligations**"); and
- (b) all expenses, costs and charges incurred by or on behalf of the Creditor in connection with this Agreement, the Hypothec or the Charged Property, including all legal fees, court costs, receiver's or agent's remuneration and other expenses of taking possession of, repairing, protecting, insuring, preparing for disposition, realizing, collecting, selling, transferring, delivering or obtaining payment for the Charged Property, and of taking, defending or participating in any action or proceeding in connection with any of the foregoing matters or otherwise in connection with the Creditor's interest in any of the Charged Property, whether or not directly relating to the enforcement of this Agreement or any other Loan Document (collectively, the "**Expenses**").

4.1.2 Any future obligation hereby secured will be deemed to be one in respect of which the Grantor has once again obligated itself hereunder according to the provisions of Article 2797 of the Civil Code.

5. ADDITIONAL PROVISIONS PERTAINING TO CLAIMS

5.1 Authorization to Collect

The Creditor hereby authorizes the Grantor to collect all Claims. However, upon the occurrence and continuance of a Default, which has not been waived by the Creditor, such authorization may be withdrawn by the Creditor by written notice with respect to all or any part of the Claims, whereupon the Creditor will be free to itself effect such collection and to exercise any of the rights referred to in Section 5.2 below. The Grantor shall then remit to the Creditor all records, books, invoices, bills, contracts, titles, papers and other documents related to the Claims. If sums payable under such Claims and property are paid to the Grantor after such authorization is withdrawn (and even if such withdrawal is not yet registered or delivered to the holders of such Claims), the Grantor will receive same as mandatary of the Creditor and shall remit same to the Creditor promptly without the necessity of any demand to this effect.

5.2 Collection

The Creditor may, following the withdrawal of authorization referred to above in Section 5.1, collect all Claims in accordance with what is provided for by applicable law. The Creditor may further exercise any rights regarding such Claims and more particularly, it may grant or refuse any consent which may be required from the Grantor in its capacity as owner of such Claims, and will not, in the exercise of such right, be required to obtain the consent of the Grantor or serve the Grantor any notice thereof, nor will it be under any obligation to establish that the Grantor has refused or neglected to exercise such rights. The Creditor may further grant delays, take or abandon any security, make arrangements with debtors of any Claims, make compromises, grant releases and generally deal at its discretion with matters concerning all Claims without the intervention or consent of the Grantor. In exercising any of the rights referred to in this Section 5.2, the Creditor is relieved of any obligation to inform the Grantor of any irregularity in the payment of any Claim and will not be liable for any loss or damage which may result from the exercise of its rights except in the case of its own intentional or gross fault.

5.3 Render Opposable

If any of the Claims are themselves secured by a Conventional Security or any other right susceptible of publication under applicable law, the Creditor will have the right to accomplish, at the expense of the Grantor, all the formalities required to set up against the third party debtors the hypothecary rights of the Creditor upon such Claims and accessories thereof.

5.4 Assignment of Claims subject to the *Financial Administration Act*

The Grantor hereby assigns to the Creditor by way of absolute assignment all its present and future Claims which are subject to Sections 67 and 68 of the *Financial Administration Act* (Canada) or analogous legislation, as collateral and continuing security for the performance of all Secured Obligations. The Creditor may, at any time, fulfill any of the formalities required by applicable law to make such transfer enforceable.

6. REPRESENTATIONS AND WARRANTIES

The Grantor represents and warrants that:

6.1 Claims secured by Registered Hypothec

It has no Claim which is secured by registered hypothec.

7. COVENANTS

The Grantor covenants:

7.1 Information

To give notice in writing to the Creditor of any change whatsoever in the representations and warranties mentioned in Article 6 hereof.

7.2 Transformation

To refrain from mixing or combining the corporeal Charged Property with other movable property belonging to a third party, or from transforming the same, except in the normal course of the Grantor's business or unless consented to in writing by the Creditor.

8. EVENTS OF DEFAULT

The Grantor will be in default hereunder without notice or other formality, except as provided for in the Promissory Note, and the hypothecary rights hereby constituted will become enforceable upon the occurrence and continuance of an Event of Default under the Promissory Note (a "Default").

9. CREDITOR'S RECOURSES IN CASE OF DEFAULT

9.1 Exercise of Rights

Upon the occurrence of a Default that is continuing, the Creditor may proceed to realize the security created by this Agreement and to exercise any right, recourse or remedy of the Creditor under this Agreement or provided for by applicable law, including any of the hypothecary rights and recourses provided for under the Civil Code.

9.2 Rights of the Creditor

Whatever hypothecary rights the Creditor elects to exercise, the following provisions will apply:

9.2.1 the Creditor may, in its discretion, at the Grantor's expense:

- (a) pursue the transformation of the Charged Property or any work in process or unfinished goods comprised in the Charged Property and complete the manufacture or processing thereof or proceed with any operations to which such

property is submitted by the Grantor in the ordinary course of its business and acquire property for such purposes;

- (b) alienate or dispose of any Charged Property which may be obsolete, may perish or is likely to deteriorate rapidly;
 - (c) use for its benefit any information obtained while exercising its rights;
 - (d) perform any obligation or covenant of the Grantor;
 - (e) exercise any right attached to the Charged Property on such conditions and in such manner as it may determine, acting reasonably, including the granting of licences whether general or special on an exclusive or non-exclusive basis, of any intellectual property charged hereunder;
 - (f) for the exercise of any of its rights, utilize without charge the Grantor's premises, whether owned or leased, equipment, machinery, process, information, records, computer programs and intellectual property; and
 - (g) maintain or repair the Charged Property;
- 9.2.2 the Creditor shall exercise its rights in good faith in order to attempt to reduce the Secured Obligations, in a reasonable manner, taking into account all circumstances;
- 9.2.3 the Creditor may, directly or indirectly, purchase or otherwise acquire any of the Charged Property;
- 9.2.4 the Creditor, when exercising its rights, may waive any right of the Grantor, with or without consideration therefor;
- 9.2.5 the Creditor will have no obligation to make an inventory of the Charged Property, to take out any kind of insurance with respect thereto or to grant any security whatsoever;
- 9.2.6 the Creditor will not be bound to continue to carry on the Grantor's business or to make any productive use of the Charged Property or to maintain such property in operating condition; and
- 9.2.7 the Grantor shall, upon request of the Creditor, move the Charged Property to, and render it available to the Creditor at, premises designated by the Creditor which, in its opinion, will be more suitable in the circumstances.

9.3 Taking in Payment

If the Creditor elects to exercise its right to take in payment the Charged Property and the Grantor requires that the Creditor instead sell, by itself or under judicial authority, the Charged Property on which such right is exercised, the Grantor acknowledges that the Creditor will not be bound to abandon its recourse of taking in payment unless, prior to the expiry of the time period allocated for surrender, the Creditor (i) has been granted a security satisfactory to it, to ensure that the proceeds of the sale of the Charged Property will be sufficient to pay the

Secured Obligations in full, (ii) has been reimbursed for all reasonable costs and expenses incurred in connection with this Agreement, including all fees of consultants and legal advisers and (iii) has been advanced the necessary sums for the sale of said Charged Property. The Grantor further acknowledges that the Creditor alone is entitled to select the type of sale it may wish to conduct or have conducted.

9.4 Surrender of Charged Property

Upon the occurrence of a Default which is continuing and which has not been waived by the Creditor, the Grantor shall surrender the Charged Property to the Creditor. The Grantor will be deemed to have surrendered the Charged Property which is in the possession of the Creditor, or of a third party on its behalf, if the Creditor has not, within the delays determined by applicable law or by a tribunal to surrender, received written notice from the Grantor to the effect that it intends to contest the exercise of the hypothecary recourse set forth in the prior notice.

9.5 Evaluation

Where the Creditor sells the Charged Property itself, it will not be required to obtain any prior evaluation by a third party.

9.6 Sale of Charged Property

The Creditor may elect to sell the Charged Property after giving such prior notices as may be required by applicable law. The sale may be made with legal warranty given by the Grantor or with complete or partial exclusion of such warranty. The sale may also be made for cash or with a term or under such reasonable conditions as are determined by the Creditor. Upon failure of payment of the purchase price, the Creditor may resiliate or resolve such sale and such Charged Property may then be resold.

9.7 Appointment by Creditor

9.7.1 The Creditor may appoint an agent, a receiver, or a receiver and manager (collectively, a "Receiver") over all or any portion of the Charged Property by written instrument in accordance with Section 9.7.2 or may apply to a court for the appointment of a Receiver to take possession of all or such part of the Charged Property as the Creditor will designate, with such duties, powers and obligations as the court making the appointment will confer, and the Grantor hereby irrevocably consents to the appointment of such Receiver.

9.7.2 The Creditor may appoint, by written instrument, a Receiver of any or all of the Charged Property with such rights, powers and authority (including any or all of the rights, powers and authority of the Creditor under this Agreement) in respect of the Grantor or the Charged Property as may be provided for in the instrument of appointment or any supplemental instrument, and remove or replace any such Receiver from time to time. To the extent permitted by applicable law, any Receiver appointed by the Creditor will be considered to be the agent of the Grantor and not of the Creditor.

9.8 Liability of Grantor

Except if the right of taking in payment is exercised, the Grantor will remain liable to the Creditor for any deficiency remaining after the application of the proceeds of any sale, lease or disposition of the Charged Property by the Creditor.

10. GENERAL PROVISIONS

10.1 Additional Security

This Agreement does not operate as a novation. Further, the Hypothec is in addition to and not in substitution of or in replacement for any other hypothec or security held or which may hereafter be held by the Creditor and will not affect the Creditor's rights of compensation and set-off.

10.2 Indivisible

Every divisible obligation in favour of the Creditor arising out of this Agreement must be performed in its entirety, as if it were indivisible, by each heir or legal representative of any person who is bound therefor.

10.3 Set-off

Provided the Secured Obligations are due and exigible or that the Creditor is entitled to declare them owing and exigible, the Creditor may compensate and set-off any Secured Obligations with any and all amounts then owed to the Grantor by the Creditor in any capacity, whether such amount be exigible or not, and the Creditor will then be deemed to have exercised such right to compensate and set-off as at the time the decision was taken by it even though the appropriate entries have not yet been made in its records.

10.4 Delays

The Creditor may grant delays, take any security or renounce thereto, accept compromises, grant quittances and releases and generally deal, in its entire discretion, with any matters related to the Charged Property, the whole without limiting the rights of the Creditor and without limiting the liability of the Grantor.

10.5 Continuing Security

The Hypothec will be continuing security and will remain in full force and effect despite the repayment from time to time of the whole or of any part of the Secured Obligations or as a result of receipt of any insurance indemnities arising from the loss or damage to any of the Charged Property or by reason of the collection of any Claims hypothecated hereunder. The Hypothec will remain in full force until the execution of a final release and discharge by the Creditor.

10.6 Discharge of Security

The Grantor will be entitled to require a discharge of the Hypothec by notice to the Creditor upon full and indefeasible payment and performance of the Secured Obligations. Upon such notice, the Creditor will execute and deliver in a timely manner to the Grantor the discharge forms and other documents as the Grantor may reasonably require.

10.7 Time of the Essence

The Grantor will be deemed *en demeure* by the mere lapse of time provided for the Grantor to perform its obligations or the expiry of any term therefore, without the Creditor being obliged to serve any notice or prior notice upon the Grantor.

10.8 Cumulative Rights

The rights and recourses of the Creditor hereunder are cumulative and do not exclude any other rights and recourses which the Creditor might have. No waiver by the Creditor of any of the provisions of this Agreement will constitute a waiver of any other provision (whether or not similar) or be deemed to be a waiver with respect to any other future instance involving the same provisions. No waiver will be binding unless executed by the Creditor in writing. The Creditor'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 the Creditor from any further exercise of that right or the exercise of any other right it may have. The Creditor may exercise its rights hereunder without any obligation to exercise any right against any other person liable for payment of the Secured Obligations and without having to enforce any other security granted with respect to the Secured Obligations.

10.9 Designation of Creditor as Mandatary

The Grantor hereby irrevocably appoints the Creditor, who hereby accepts, as its mandatary with full power of substitution and authority for the purposes of this Agreement and for the purpose of carrying out any and all acts, and executing any and all agreements, proxies or other documents which the Creditor may deem useful in order to exercise its rights or which the Grantor neglects or refuses to execute or to carry out, which mandate may be exercised by the Creditor following the occurrence and continuance of a Default.

10.10 Performance

The Creditor may, at its entire discretion, perform any of the obligations of the Grantor under this Agreement, should the Grantor fail to do so in a timely manner.

10.11 Delegation

The Creditor may, at its entire discretion, appoint any person for the purpose of exercising any of its rights, actions or the performance of any covenant resulting from this Agreement or from applicable law. The Creditor may supply such person with any information it holds relating to the Grantor or to the Charged Property.

10.12 Liability

The Creditor will not be liable for material injuries or damages resulting from its fault, or the fault of its agents, officers, consultants or delegates, unless such fault is gross or intentional.

10.13 No Obligations

The Creditor will not have any obligation or liability under the contracts and agreements included in the Charged Property by reason of this Agreement. Furthermore, the Creditor will not be obligated to perform any of the obligations or duties of the Grantor under such contracts and agreements or to take any action to collect or enforce any Claim for payment charged hereunder.

10.14 Successors and Assigns

This Agreement is binding upon and enures to the benefit of each of the Creditor and the Grantor, and their respective successors and assigns.

10.15 Severability

If any provision of this Agreement is determined to be illegal, invalid or unenforceable, in whole or in part, by an arbitrator or any court of competent jurisdiction from which no appeal exists or is taken, that provision or part thereof will be severed from this Agreement and the remaining part of such provision and all other provisions will continue in full force and effect.

10.16 Notices

Any notice, direction or other communication to be given under this Agreement shall be in writing and given in accordance with the Promissory Note.

10.17 Administration by Creditor

The provisions of Title Seven of Book Four of the Civil Code will not apply to any administration by the Creditor under this Agreement.

10.18 Governing Law

This Agreement is governed by, and shall be interpreted and enforced in accordance with the laws of the Province of Quebec, and the federal laws of Canada applicable therein.

10.19 Amendments

This Agreement may only be amended or otherwise modified by written agreement signed by the parties hereto.

10.20 Unilateral

This Agreement need not be signed for acceptance by the Creditor in order to be binding on the Grantor. Such acceptance by the Creditor is to be presumed and cannot be disputed by the Grantor.

10.21 English Language

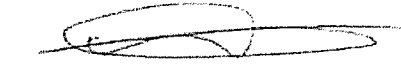
The parties hereto have agreed that this Agreement as well as any notice, document or instrument relating to it be drawn up in English only. *Les parties aux présentes ont convenu que la présente convention ainsi que tous autres avis, actes ou documents s'y rattachant soient rédigés en anglais seulement.*

[Signature page follows]

The Grantor has signed this Hypothec on Movables as of the date first written above.

NINE WEST CANADA LP, herein acting
and represented by its general partner,
JONES CANADA, INC.

By: _____



Name: Ralph A. Schipani

Title: President

Hypothec on Movables in favour of Nine West Holdings, Inc.

EXHIBIT “H”

THIS IS EXHIBIT "H", referred to in the Affidavit of Ralph Schipani, sworn on April 6, 2018.

Kathleen Blaukoff
Commissioner for Taking Affidavits

KATHLEEN BLAUKOFF
NOTARY PUBLIC, State of New York
No. 01416024612
Qualifies in New York County
Commission Expires May 10, 2019

RUN NUMBER : 080
RUN DATE : 2018/03/21
ID : 20180321142220.48

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

REPORT : PSSR060
PAGE : 1
(15271)

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 : JONES CANADA, INC.

FILE CURRENCY : 20MAR 2018

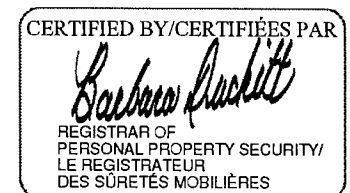
ENQUIRY NUMBER 20180321142220.48 CONTAINS 4 PAGE(S), 2 FAMILY(IES).

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.

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COMMERCE COURT WEST
TORONTO ON M5L 1B9

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2



(crfj4 11/2017)



RUN NUMBER : 080
RUN DATE : 2018/03/21
ID : 20180321142220.48

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

REPORT : PSSR060
PAGE : 2
(15272)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : JONES CANADA, INC.
FILE CURRENCY : 20MAR 2018

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
733106403

CAUTION FILING	PAGE NO.	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01	001	1		20171019 1131 9234 1648	P PPSA	10

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME BUSINESS NAME NINE WEST CANADA LP

04 ADDRESS 388 APPLEWOOD CRESCENT VAUGHAN ONTARIO CORPORATION NO. ON L4K 4B4

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME BUSINESS NAME JONES CANADA, INC.

07 ADDRESS 388 APPLEWOOD CRESCENT VAUGHAN ONTARIO CORPORATION NO. ON L4K 4B4

08 SECURED PARTY / LIEN CLAIMANT NINE WEST HOLDINGS, INC.

09 ADDRESS 1411 BROADWAY NEW YORK NY 10018

COLLATERAL CLASSIFICATION

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

11 MOTOR YEAR MAKE MODEL V.I.N.

12 VEHICLE

13 GENERAL COLLATERAL DESCRIPTION

16 REGISTERING AGENT STIKEMAN ELLIOTT LLP

17 ADDRESS 5300 COMMERCE COURT WEST, 199 BAY STREET TORONTO ON M5L 1B9

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

CONTINUED... 3

CERTIFIED BY/CERTIFIÉES PAR
Barbara Luckitt
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(cij1ft 11/2017)



RUN NUMBER : 080
RUN DATE : 2018/03/21
ID : 20180321142220.48

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

REPORT : PSSR060
PAGE : 3
(15273)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : JONES CANADA, INC.
FILE CURRENCY : 20MAR 2018

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
733106421

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
001 1 20171019 1131 9234 1649 P PPSA 10

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
03 NAME BUSINESS NAME

04 NINE WEST CANADA LP

04 ADDRESS 388 APPLEWOOD CRESCENT VAUGHAN

ONTARIO CORPORATION NO.
ON L4K 4B4

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
06 NAME BUSINESS NAME

07 JONES CANADA, INC.

07 ADDRESS 388 APPLEWOOD CRESCENT VAUGHAN

ONTARIO CORPORATION NO.
ON L4K 4B4

08 SECURED PARTY / NINE WEST MANAGEMENT SERVICE LLC
09 LIEN CLAIMANT

09 ADDRESS 180 RITTENHOUSE CIRCLE BRISTOL

PA 19007

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

11 MOTOR YEAR MAKE MODEL V.I.N.
12 VEHICLE

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING STIKEMAN ELLIOTT LLP
17 AGENT

ADDRESS 5300 COMMERCE COURT WEST, 199 BAY STREET TORONTO ON M5L 1B9

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REGISTRAR OF
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RUN NUMBER : 080
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PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

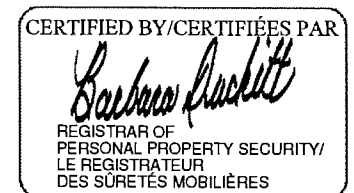
REPORT : PSSR060
PAGE : 4
(15274)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : JONES CANADA, INC.
FILE CURRENCY : 20MAR 2018

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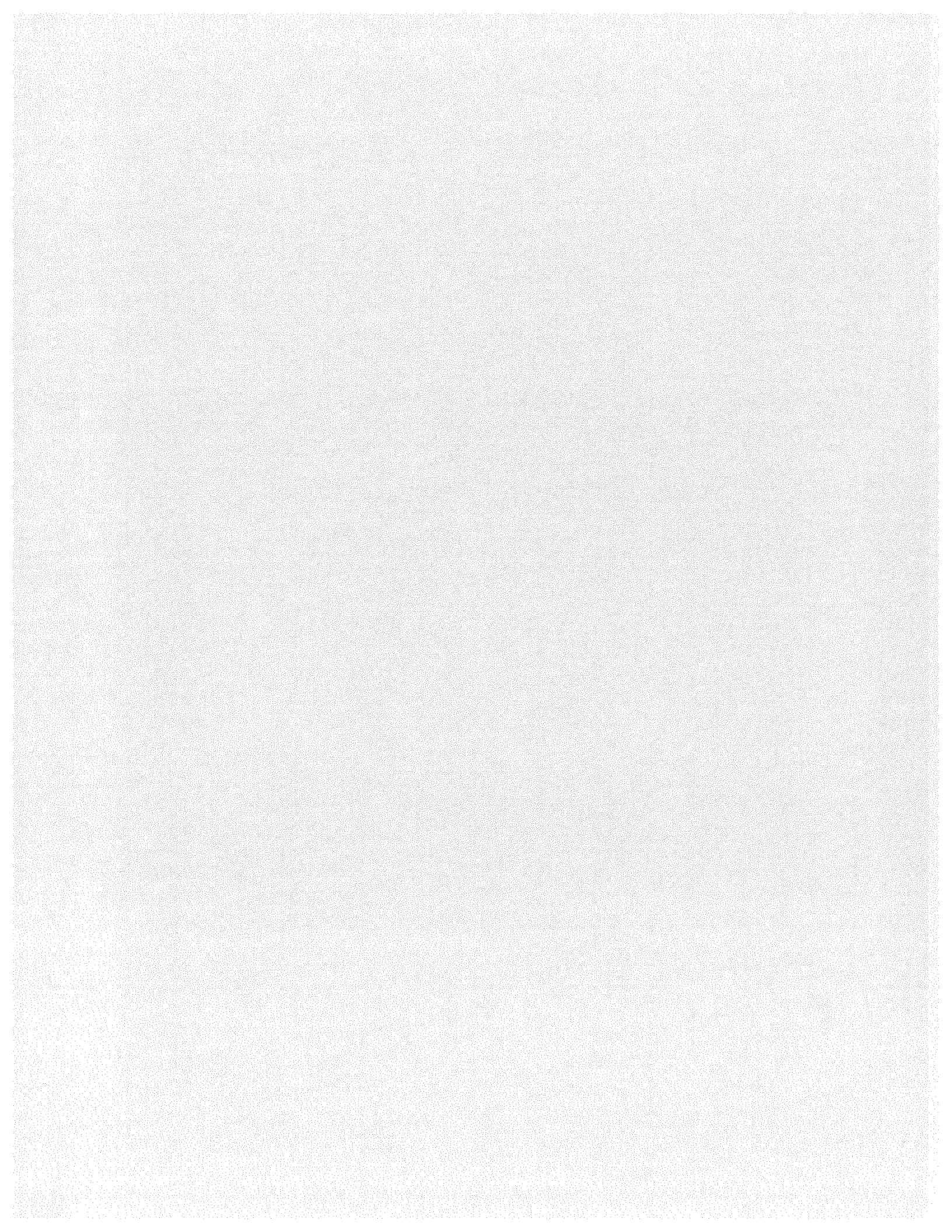
FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
733106403	20171019 1131 9234 1648			
733106421	20171019 1131 9234 1649			

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



(crlj4 11/2017)





RUN NUMBER : 080
RUN DATE : 2018/03/21
ID : 20180321142249.15

PROVINCE OF ONTARIO
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PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 1
(15275)

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:

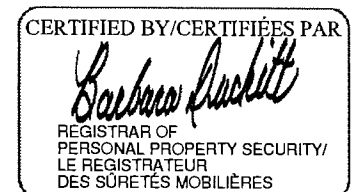
TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : NINE WEST CANADA LP
FILE CURRENCY : 20MAR 2018

ENQUIRY NUMBER 20180321142249.15 CONTAINS 17 PAGE(S), 9 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.

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COMMERCE COURT WEST
TORONTO ON M5L 1B9

CONTINUED... 2



(crfj4 11/2017)



RUN NUMBER : 080
RUN DATE : 2018/03/21
ID : 20180321142249.15

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

REPORT : PSSR060
PAGE : 2
(15276)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : NINE WEST CANADA LP
FILE CURRENCY : 20MAR 2018

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
733106403

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	001	1		20171019 1131 9234 1648	P PPSA	10

DEBTOR NAME DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

DEBTOR NAME BUSINESS NAME NINE WEST CANADA LP

ADDRESS 388 APPLEWOOD CRESCENT VAUGHAN ONTARIO CORPORATION NO. ON L4K 4B4

DEBTOR NAME DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

DEBTOR NAME BUSINESS NAME JONES CANADA, INC.

ADDRESS 388 APPLEWOOD CRESCENT VAUGHAN ONTARIO CORPORATION NO. ON L4K 4B4

SECURED PARTY / LIEN CLAIMANT NINE WEST HOLDINGS, INC.

ADDRESS 1411 BROADWAY NEW YORK NY 10018

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

MOTOR VEHICLE YEAR MAKE MODEL V.I.N.

GENERAL COLLATERAL DESCRIPTION

REGISTERING AGENT STIKEMAN ELLIOTT LLP

ADDRESS 5300 COMMERCE COURT WEST, 199 BAY STREET TORONTO ON M5L 1B9

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RUN NUMBER : 080
RUN DATE : 2018/03/21
ID : 20180321142249.15

PROVINCE OF ONTARIO
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PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 3
(15277)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : NINE WEST CANADA LP
FILE CURRENCY : 20MAR 2018

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
733106421

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
001 1 20171019 1131 9234 1649 P PPSA 10

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME BUSINESS NAME NINE WEST CANADA LP

04 ADDRESS 388 APPLEWOOD CRESCENT VAUGHAN ONTARIO CORPORATION NO.
ON L4K 4B4

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME BUSINESS NAME JONES CANADA, INC.

07 ADDRESS 388 APPLEWOOD CRESCENT VAUGHAN ONTARIO CORPORATION NO.
ON L4K 4B4

08 SECURED PARTY / NINE WEST MANAGEMENT SERVICE LLC

09 LIEN CLAIMANT ADDRESS 180 RITTENHOUSE CIRCLE BRISTOL PA 19007

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

11 MOTOR YEAR MAKE MODEL V.I.N.

12 VEHICLE

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING STIKEMAN ELLIOTT LLP

17 AGENT ADDRESS 5300 COMMERCE COURT WEST, 199 BAY STREET TORONTO ON M5L 1B9

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(cij1ft 11/2017)



RUN NUMBER : 080
RUN DATE : 2018/03/21
ID : 20180321142249.15

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

REPORT : PSSR060
PAGE : 4
(15278)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : NINE WEST CANADA LP
FILE CURRENCY : 20MAR 2018

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
714700503

CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION:
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
01 001 3 20160311 1423 1902 5929 P PPSA 06

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME BUSINESS NAME NINE WEST CANADA LP

04 ADDRESS 100-1446 DON MILLS RD TORONTO ONTARIO CORPORATION NO. ON M2B 3N6

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME BUSINESS NAME

07 ADDRESS ONTARIO CORPORATION NO.

08 SECURED PARTY / LIEN CLAIMANT ROYNAT INC.

09 ADDRESS SUITE 1500, 4710 KINGSWAY ST. BURNABY BC V5H 4M2

COLLATERAL CLASSIFICATION

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

11 YEAR MAKE MODEL V.I.N.

12 MOTOR VEHICLE

13 GENERAL COPIER(S), PRINTER(S), PHOTOCOPIER(S) TOGETHER WITH ALL ATTACHMENTS
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15 DESCRIPTION IMPROVEMENTS THERETO AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR

16 REGISTERING AVS SYSTEMS INC.
AGENT

17 ADDRESS 201 - 1325 POLSON DR. VERNON BC V1T 8H2

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(crj1t 11/2017)



RUN NUMBER : 080
RUN DATE : 2018/03/21
ID : 20180321142249.15

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

REPORT : PSSR060
PAGE : 5
(15279)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : NINE WEST CANADA LP
FILE CURRENCY : 20MAR 2018

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
714700503

CATION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	002	3		20160311 1423 1902 5929		

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
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DEBTOR NAME	BUSINESS NAME
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ONTARIO CORPORATION NO.

ADDRESS

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
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DEBTOR NAME	BUSINESS NAME
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ONTARIO CORPORATION NO.

ADDRESS

SECURED PARTY / LIEN CLAIMANT	ADDRESS
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ADDRESS

COLLATERAL CLASSIFICATION	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
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MOTOR VEHICLE	YEAR MAKE	MODEL	V.I.N.
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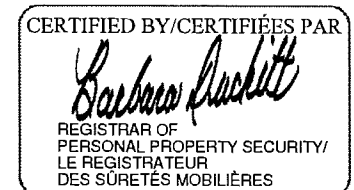
GENERAL COLLATERAL DESCRIPTION	INDIRECTLY FROM ANY SALE AND OR DEALINGS WITH THE COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE
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REGISTERING AGENT	ADDRESS
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*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY ***

CONTINUED...

6



(crjft 11/2017)



RUN NUMBER : 080
RUN DATE : 2018/03/21
ID : 20180321142249.15

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

REPORT : PSSR060
PAGE : 6
(15280)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : NINE WEST CANADA LP
FILE CURRENCY : 20MAR 2018

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
714700503

01 CAUTION FILING PAGE NO. OF PAGES TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION:
SCHEDULE NUMBER UNDER PERIOD
003 3 20160311 1423 1902 5929

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
03 NAME BUSINESS NAME

04 ADDRESS ONTARIO CORPORATION NO.

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
06 NAME BUSINESS NAME

07 ADDRESS ONTARIO CORPORATION NO.

08 SECURED PARTY / LIEN CLAIMANT
09 ADDRESS

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

11 MOTOR YEAR MAKE MODEL V.I.N.
12 VEHICLE

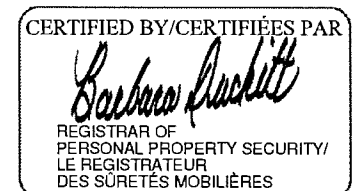
13 GENERAL COLLATERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING AGENT
17 ADDRESS

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

CONTINUED...

7



(crj1f 11/2017)



RUN NUMBER : 080
RUN DATE : 2018/03/21
ID : 20180321142249.15

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

REPORT : PSSR060
PAGE : 7
(15281)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : NINE WEST CANADA LP
FILE CURRENCY : 20MAR 2018

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
713654388

CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION:
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
01 01 002 20160128 1403 1462 8284 P PPSA 5

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME BUSINESS NAME NINE WEST CANADA LP

04 ADDRESS 100-1446 DON MILLS RD TORONTO ONTARIO CORPORATION NO. ON M2B3N6

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME BUSINESS NAME

07 ADDRESS ONTARIO CORPORATION NO.

08 SECURED PARTY / LIEN CLAIMANT CLE LEASING ENTERPRISE LTD.

09 ADDRESS 3390 SOUTH SERVICE RD, SUITE 104 BURLINGTON ON L7N3J5

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

11 MOTOR YEAR MAKE MODEL V.I.N.

12 VEHICLE

13 GENERAL 1 - CANON IR-ADV C9280 COLOUR COPIER

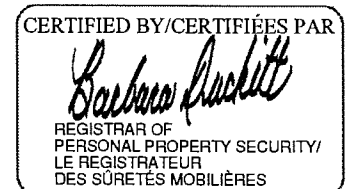
14 COLLATERAL TOGETHER WITH ALL ACCESSORIES, OPTIONAL EQUIPMENT, COMPONENTS,
15 DESCRIPTION

16 REGISTERING CLE LEASING ENTERPRISE LTD.
AGENT

17 ADDRESS 3390 SOUTH SERVICE RD, SUITE 104 BURLINGTON ON L7N3J5

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

CONTINUED... 8



(cj1ft 11/2017)



RUN NUMBER : 080
RUN DATE : 2018/03/21
ID : 20180321142249.15

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

REPORT : PSSR060
PAGE : 8
(15282)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : NINE WEST CANADA LP
FILE CURRENCY : 20MAR 2018

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
713654388

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	02	002		20160128 1403 1462 8284	P PPSA	5

DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

DEBTOR NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

ADDRESS

DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

DEBTOR NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

ADDRESS

SECURED PARTY / LIEN CLAIMANT

ADDRESS

COLLATERAL CLASSIFICATION

CONSUMER GOODS	MOTOR VEHICLE	AMOUNT	DATE OF MATURITY	NO FIXED MATURITY DATE
INVENTORY EQUIPMENT ACCOUNTS OTHER	INCLUDED		OR	

MOTOR VEHICLE YEAR MAKE MODEL V.I.N.

GENERAL COLLATERAL DESCRIPTION PARTS, INSTRUMENTS, APPURTENANCES, FURNISHINGS AND OTHER EQUIPMENT OF WHATEVER NATURE OR KIND FURNISHED IN CONNECTION WITH ANY OF THE FOREGOING EQUIPMENT AND ANY REPLACEMENTS AND SUBSTITUTIONS THEREFOR

REGISTERING AGENT CLE LEASING ENTERPRISE LTD.

ADDRESS: 3390 SOUTH SERVICE RD, SUITE 104 BURLINGTON ON L7N3J5

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

CONTINUED... 9

CERTIFIED BY/CERTIFIÉES PAR
Barbara Duckitt
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crjft 11/2017)



RUN NUMBER : 080
RUN DATE : 2018/03/21
ID : 20180321142249.15

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

REPORT : PSSR060
PAGE : 9
(15283)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : NINE WEST CANADA LP
FILE CURRENCY : 20MAR 2018

FORM 16 FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
712727406

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
01 001 20151217 1408 1462 4791 P PPSA 3

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
03 NAME BUSINESS NAME

04 NINE WEST CANADA LP
ADDRESS: 100-1446 DON MILLS ROAD TORONTO ONTARIO CORPORATION NO.
ON M3B3N6

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
06 NAME BUSINESS NAME

07 ADDRESS: ONTARIO CORPORATION NO.

08 SECURED PARTY / HAV-A-KAR LEASING LTD
09 LIEN CLAIMANT ADDRESS: 4077 CHESSWOOD DRIVE TORONTO ON M3J2R8

10 COLLATERAL CLASSIFICATION
CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE
X X X X 23545 X

11 MOTOR YEAR MAKE MODEL V.I.N.
12 VEHICLE 2013 FORD E450 CUBE VAN 1FDXE4FL2DDA37389

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING HAV-A-KAR LEASING LTD
17 AGENT ADDRESS: 4077 CHESSWOOD DRIVE TORONTO ON M3J2R8

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

CONTINUED... 10

CERTIFIED BY/CERTIFIÉES PAR
Barbara Luckitt
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTREUR
DES SÛRETÉS MOBILIÈRES

(crj1ft 11/2017)



RUN NUMBER : 080
RUN DATE : 2018/03/21
ID : 20180321142249.15

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

REPORT : PSSR060
PAGE : 10
(15284)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : NINE WEST CANADA LP
FILE CURRENCY : 20MAR 2018

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
712083294

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
01 001 20151125 1401 1462 7282 P PPSA 3

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME BUSINESS NAME NINE WEST CANADA LP

04 ADDRESS 100-1446 DON MILLS ROAD TORONTO ONTARIO CORPORATION NO.
ON M3B3N6

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME BUSINESS NAME

07 ADDRESS ONTARIO CORPORATION NO.

08 SECURED PARTY / HAV-A-KAR LEASING LTD
LIEN CLAIMANT

09 ADDRESS 4077 CHESSWOOD DRIVE TORONTO ON M3J2R8

10 COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO. FIXED
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE
X X X X 23545

11 MOTOR YEAR MAKE MODEL V.I.N.
2013 FORD E450 CUBE VAN 1FDXE4FL2DDA37389

12 VEHICLE

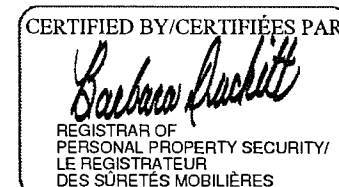
13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING HAV-A-KAR LEASING LTD
AGENT

17 ADDRESS 4077 CHESSWOOD DRIVE TORONTO ON M3J2R8

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

CONTINUED... 11



(crjft 11/2017)



RUN NUMBER : 080
RUN DATE : 2018/03/21
ID : 20180321142249.15

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

REPORT : PSSR060
PAGE : 11
(15285)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : NINE WEST CANADA LP
FILE CURRENCY : 20MAR 2018

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
712083303

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
01 001 20151125 1401 1462 7283 P PPSA 3

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
03 NAME BUSINESS NAME NINE WEST CANADA LP

04 ADDRESS 100-1446 DON MILLS ROAD TORONTO ONTARIO CORPORATION NO.
ON M3B3N6

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
06 NAME BUSINESS NAME

07 ADDRESS ONTARIO CORPORATION NO.

08 SECURED PARTY / HAV-A-KAR LEASING LTD
09 LIEN CLAIMANT ADDRESS 4077 CHESSWOOD DRIVE TORONTO ON M3J2R8

10 COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO. FIXED
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE
X X X X 17916 X

11 MOTOR YEAR MAKE MODEL V.I.N.
12 VEHICLE 2013 FORD E350 ECONOLINE 1FTSS3EL8DDA33317

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING HAV-A-KAR LEASING LTD
17 AGENT ADDRESS 4077 CHESSWOOD DRIVE TORONTO ON M3J2R8

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

CONTINUED... 12

CERTIFIED BY/CERTIFIÉES PAR
Barbara Duckitt
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1t 11/2017)



RUN NUMBER : 080
RUN DATE : 2018/03/21
ID : 20180321142249.15

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

REPORT : PSSR060
PAGE : 12
(15286)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : NINE WEST CANADA LP
FILE CURRENCY : 20MAR 2018

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
694962684

CAUTION FILING PAGE NO. OF PAGES TOTAL MOTOR VEHICLE REGISTRATION REGISTERED UNDER REGISTRATION PERIOD
01 001 2 X 20140404 0910 1097 5179 P PPSA 06

DEBTOR NAME DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

02 DEBTOR NAME
03 BUSINESS NAME SHERSON GROUP INC.

04 ADDRESS 100-1446 DON MILLS ROAD NORTH YORK ONTARIO CORPORATION NO. ON M3B 3N6

DEBTOR NAME DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

05 DEBTOR NAME
06 BUSINESS NAME SHERSON GROUP INC.

07 ADDRESS 150 DUNCAN MILLS ROAD TORONTO ONTARIO CORPORATION NO. ON M3B 3N6

SECURED PARTY / LIEN CLAIMANT G.N. JOHNSTON EQUIPMENT CO. LTD.

08 ADDRESS 5990 AVEBURY ROAD MISSISSAUGA ON L5R 3R2

COLLATERAL CLASSIFICATION

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

11 MOTOR VEHICLE YEAR MAKE MODEL V.I.N.
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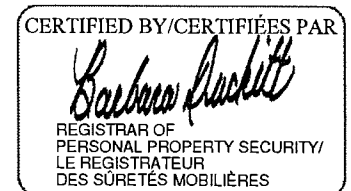
13 GENERAL COLLATERAL DESCRIPTION DEKA BATTERIES S/N 3724BD 2092BD 2093BD 4742BD 4743BD DEKA CHARGERS S/N 114CS17500 114CS17501 114CS17498 114CS17499 114PPR05803 REF. SO 275170 275265 275263

16 REGISTERING AGENT ADDRESS

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

CONTINUED...

13



(crj/ft 11/2017)



RUN NUMBER : 080
RUN DATE : 2018/03/21
ID : 20180321142249.15

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

REPORT : PSSR060
PAGE : 13
(15287)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : NINE WEST CANADA LP
FILE CURRENCY : 20MAR 2018

FORM 4C MOTOR VEHICLE SCHEDULE

00 FILE NUMBER
694962684

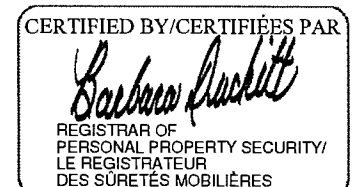
01 PAGE TOTAL
NO. OF PAGES REGISTRATION
002 2 20140404 0910 1097 5179

	YEAR	MAKE	MODEL	V.I.N.
41	2014	RAYMOND	LIFT TRUCK	560-14-A19380
42	2014	RAYMOND	LIFT TRUCK	560-14-A19381
43	2014	RAYMOND	LIFT TRUCK	4450-C35ST
44				
45				
46				
47				
48				
49				
50				
51				
52				
53				
54				
55				
56				

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

CONTINUED...

14



(orj4ft 11/2017)



RUN NUMBER : 080
RUN DATE : 2018/03/21
ID : 20180321142249.15

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

REPORT : PSSR060
PAGE : 14
(15288)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : NINE WEST CANADA LP
FILE CURRENCY : 20MAR 2018

FORM ZC FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION BILLING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER		
01	001	1		20160113 0948 1097 5887			
21	RECORD REFERENCED	FILE NUMBER	694962684				
22		PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED E TRANSFER	RENEWAL YEARS	CORRECT PERIOD	
23	REFERENCE		FIRST GIVEN NAME	INITIAL	SURNAME		
24	DEBTOR/ TRANSFEROR	BUSINESS NAME	SHERSON GROUP INC.				
25	OTHER CHANGE						
26	REASON/ DESCRIPTION						
28							
02/ 05	DEBTOR/ TRANSFEREE	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME		
03/ 06		BUSINESS NAME	NINE WEST CANADA LP				
04/07		ADDRESS	300 APPLEWOOD CRESCENT	VAUGHAN	ONTARIO CORPORATION NO.	ON	L4K 4B4
29	ASSIGNOR						
08	SECURED PARTY/LIEN CLAIMANT/ASSIGNEE						
09		ADDRESS					
10	COLLATERAL CLASSIFICATION						
	CONSUMER						
		GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	INCLUDED
					AMOUNT	DATE OF MATURITY	OR MATURITY DATE
11	MOTOR VEHICLE	YEAR	MAKE	MODEL	V. I. N.		
12	GENERAL						
13	COLLATERAL						
14	DESCRIPTION						
15	REGISTERING AGENT OR		G.N. JOHNSTON EQUIPMENT CO. LTD.				
16	SECURED PARTY/ LIEN CLAIMANT	ADDRESS	5990 AVEBURY ROAD	MISSISSAUGA	ON	L5R 3R2	

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

CONTINUED... 15

CERTIFIED BY/CERTIFIÉES PAR
Barbara Aschitt
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj2r 11/2017)



RUN NUMBER : 080
RUN DATE : 2018/03/21
ID : 20180321142249.15

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

REPORT : PSSR060
PAGE : 15
(15289)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : NINE WEST CANADA LP
FILE CURRENCY : 20MAR 2018

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
677336562

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
001 1 20120404 1139 1097 4529 P PPSA 06

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
03 NAME BUSINESS NAME

04 SHERSON GROUP INC.
ADDRESS: 100-1446 DON MILLS ROAD TORONTO ONTARIO CORPORATION NO.
ON M3B 3N6

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
06 NAME BUSINESS NAME

07 ADDRESS ONTARIO CORPORATION NO.

08 SECURED PARTY / G.N. JOHNSTON EQUIPMENT CO. LTD.
09 LIEN CLAIMANT ADDRESS: 5990 AVEBURY ROAD MISSISSAUGA ON L5R 3R2

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

11 MOTOR YEAR MAKE MODEL V.I.N.
12 VEHICLE 2012 RAYMOND LIFT TRUCK EZ-ACT-R35TT EZ-12-DF51222

13 GENERAL DEKA BATTERY S/N 2547AB AND DEKA CHARGER S/N 411PPR04707 REF. SO
14 COLLATERAL 178087
15 DESCRIPTION

16 REGISTERING
17 AGENT ADDRESS

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

CONTINUED... 16

CERTIFIED BY/CERTIFIÉES PAR
Barbara Duckitt
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(e)1ft 11/2017



RUN NUMBER : 080
RUN DATE : 2018/03/21
ID : 20180321142249.15

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

REPORT : PSSR060
PAGE : 16
(15290)

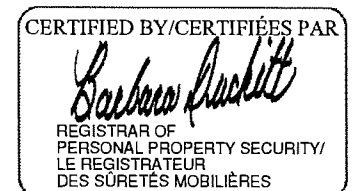
TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : NINE WEST CANADA LP
FILE CURRENCY : 20MAR 2018

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	RENEWAL YEARS	CORRECT PERIOD
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22		PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED E TRANSFER			
23	REFERENCE		FIRST GIVEN NAME	INITIAL	SURNAME		
24	DEBTOR/ TRANSFEROR	BUSINESS NAME	SHERSON GROUP INC.				
25	OTHER CHANGE						
26	REASON/ DESCRIPTION						
28							
02/	DEBTOR/ TRANSFEREE	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME		
05							
03/		BUSINESS NAME	NINE WEST CANADA LP				
06							
04/07		ADDRESS	300 APPLEWOOD CRESCENT	VAUGHAN	ONTARIO CORPORATION NO.	ON	L4K 4B4
29	ASSIGNOR						
08	SECURED PARTY/LIEN CLAIMANT/ASSIGNEE						
09		ADDRESS					
	COLLATERAL CLASSIFICATION						
	CONSUMER						
10		GOODS	INVENTORY EQUIPMENT ACCOUNTS OTHER	MOTOR VEHICLE INCLUDED	DATE OF MATURITY OR	NO FIXED MATURITY DATE	
11	MOTOR VEHICLE	YEAR MAKE	MODEL	V. I. N.			
12	GENERAL						
13	COLLATERAL						
14	DESCRIPTION						
15	REGISTERING AGENT OR		G.N. JOHNSTON EQUIPMENT CO. LTD.				
16	SECURED PARTY/ LIEN CLAIMANT	ADDRESS	5990 AVEBURY ROAD	MISSISSAUGA	ON	L5R 3R2	

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

CONTINUED... 17



(crj2f 11/2017)



RUN NUMBER : 080
RUN DATE : 2018/03/21
ID : 20180321142249.15

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

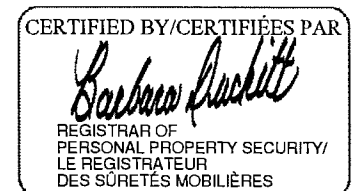
REPORT : PSSR060
PAGE : 17
(15291)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : NINE WEST CANADA LP
FILE CURRENCY : 20MAR 2018

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
733106403	20171019 1131 9234 1648			
733106421	20171019 1131 9234 1649			
714700503	20160311 1423 1902 5929			
713654388	20160128 1403 1462 8284			
712727406	20151217 1408 1462 4791			
712083294	20151125 1401 1462 7282			
712083303	20151125 1401 1462 7283			
694962684	20140404 0910 1097 5179	20160113 0948 1097 5887		
677336562	20120404 1139 1097 4529	20160113 0957 1097 5888		

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



(crij4 11/2017)



EXHIBIT “I”

THIS IS EXHIBIT "I", referred to in the Affidavit of Ralph Schipani, sworn on April 6, 2018.

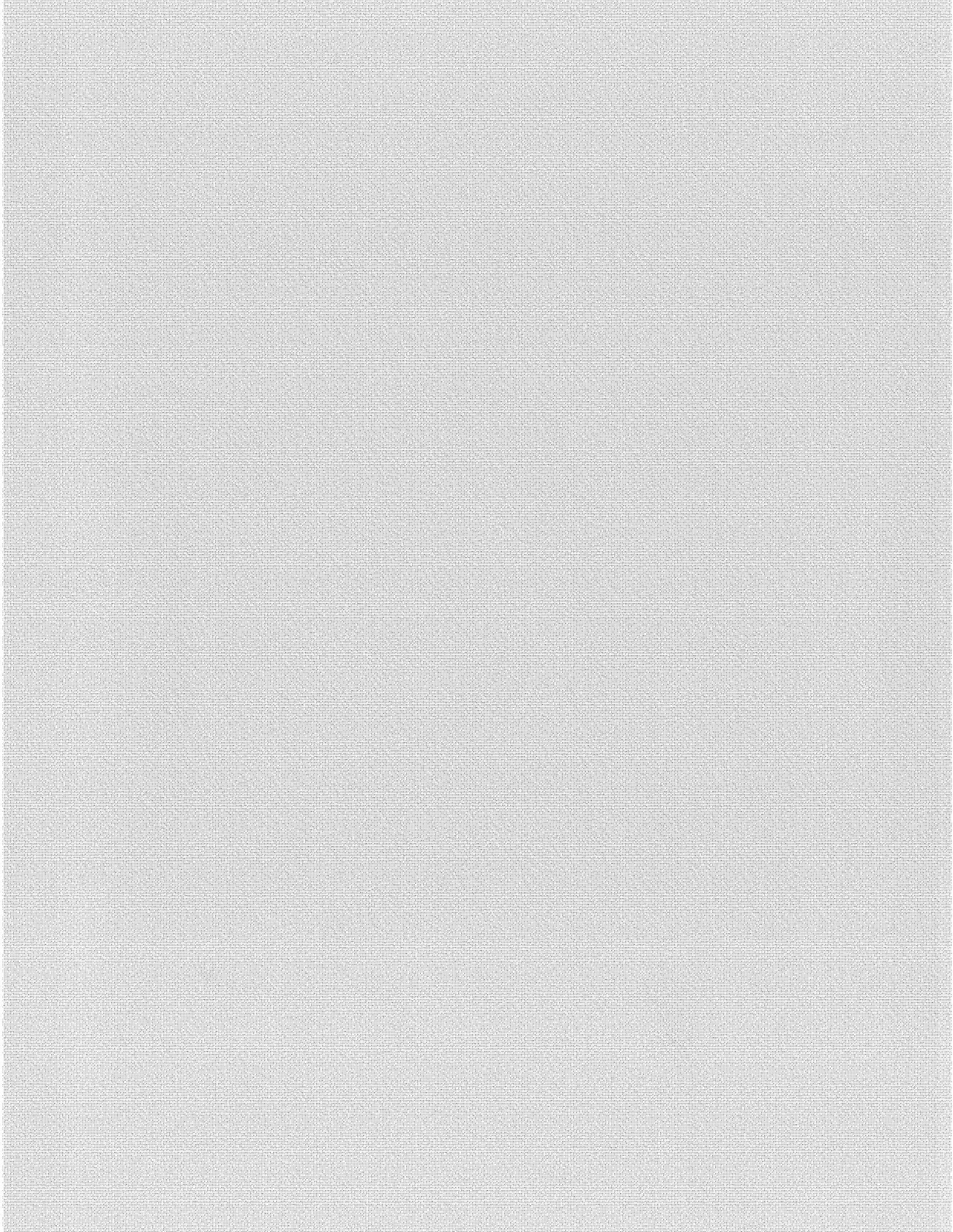
Katherine Blaukopf
Commissioner for Taking Affidavits

KATHERINE BLAUKOPF
NOTARY PUBLIC, State of New York
No. 04BL6024412
Qualified in New York County
Commission Expires May 10, 2019

KATHERINE BLAUKOPF
NOTARY PUBLIC, State of New York
No. 04BL6024412
Qualified in New York County
Commission Expires May 10, 2019

CANADA
COMBINED BALANCE SHEETS
DECEMBER 31, 2016

	COMBINED CANADA	ADJUSTMENTS & ELIMINATIONS	Co. 38, 48, 49 CANADA WH	Co. 39 NW CANADA RET	Co 5 CANADA, LP	Co 32 JONES CANADA, INC.	57 JONES APPAREL GROUP CANADA, ULC	58 JONES HOLDINGS CANADA LTD
ASSETS								
CURRENT:								
Cash and short-term investments	\$ 1,908,851		\$ 1,462,358	\$ 106,150	\$ 269,305	\$ 450	\$ 70,588	\$ -
Accounts receivable	1,902,699		760,308	63,829	1,078,562	-	-	-
Due from (to) Inter-company affiliates	(16,831,050)		(6,161,345)	(13,971,831)	3,188,080	(45,586)	168,975	(9,343)
Due from (to) affiliates - Jones Apparel LLC	22,457		-	-	22,457	-	-	-
Due from (to) affiliates - Parent	-		-	-	-	-	-	-
Inventories	14,928,078		4,034,291	9,892,442	1,001,345	-	-	-
Prepaid and refundable income taxes	435,258		-	-	-	-	435,258	-
Current portion of deferred taxes	-		-	-	-	-	-	-
Note Receivable	-		-	-	-	-	-	-
Prepaid expenses and other current assets	916,553		-	863,719	52,834	-	-	-
TOTAL CURRENT ASSETS	3,282,846	-	95,612	(3,045,691)	5,612,583	(45,136)	674,821	(9,343)
PROPERTY, PLANT AND EQUIPMENT, at cost, less accumulated depreciation								
PROPERTY UNDER CAPITAL LEASES, less accumulated amortization	3,991,660	-	-	3,986,784	4,876	-	-	-
INTERCOMPANY NOTE RECEIVABLE	33,594		-	33,594	-	-	-	-
INTERCOMPANY LICENSE AGREEMENTS	-		-	-	-	-	-	-
INVESTMENTS IN SUBSIDIARIES	-	(27,629,909)	-	-	-	27,639	27,602,270	-
INVESTMENTS IN UNCONSOLIDATED AFFILIATES	24,409,569		-	-	24,409,569	-	-	-
INTANGIBLES	944,021		-	944,021	-	-	-	-
GOODWILL, LESS ACCUMULATED AMORTIZATION	-		-	-	-	-	-	-
DEBT ISSUE COSTS	-		-	-	-	-	-	-
LONG-TERM PORTION OF DEFERRED TAXES	-		-	-	-	-	-	-
NOTE RECEIVABLE	-		-	-	-	-	-	-
OTHER ASSETS	413,323		-	401,210	12,113	-	-	-
\$ 33,075,013	\$ (27,629,909)	\$ 95,612	\$ 2,319,918	\$ 30,039,141	\$ (17,497)	\$ 28,277,091	\$ (9,343)	
LIABILITIES AND STOCKHOLDERS EQUITY								
CURRENT:								
Short term borrowings - revolver	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intercompany note payable	-		-	-	-	-	-	-
Current portion of long-term debt	-		-	-	-	-	-	-
Current portion of senior note discount	-		-	-	-	-	-	-
Current portion of bond fair market value adjustment	-		-	-	-	-	-	-
Obligation under capital leases	9,572		-	9,572	-	-	-	-
Accounts payable	1,724,645		2,408,671	(1,513,826)	829,800	-	-	-
Income taxes payable	-		-	-	-	-	-	-
Deferred taxes	-		-	-	-	-	-	-
Accrued expenses and other current liabilities	2,378,983		16,432	1,527,647	680,133	-	154,771	-
Rounding	(13)		(2)	(2)	(2)	(3)	(4)	-
Contingent consideration payable	-		-	-	-	-	-	-
Accrued interest and facility fees	-		-	-	-	-	-	-
Unearned income	-		-	-	-	-	-	-
TOTAL CURRENT LIABILITIES	4,113,187	-	2,425,101	23,391	1,509,931	(3)	154,767	-
NONCURRENT LIABILITIES:								
Senior Notes	-		-	-	-	-	-	-
Senior Note premium	-		-	-	-	-	-	-
Bond fair market value adjustment	-		-	-	-	-	-	-
Obligation under capital leases	24,558		-	24,558	-	-	-	-
Term loans	-		-	-	-	-	-	-
Term loans discount	-		-	-	-	-	-	-
Other long term debt	-		-	-	-	-	-	-
Deferred taxes	-		-	-	-	-	-	-
Income taxes payable	-		-	-	-	-	-	-
Due to Stuart Weitzman - Niro loan	-		-	-	-	-	-	-
Contingent consideration payable	-		-	-	-	-	-	-
Other	832,438		-	832,438	-	-	-	-
TOTAL NONCURRENT LIABILITIES	856,996	-	-	856,996	-	-	-	-
TOTAL LIABILITIES	4,970,183	-	2,425,101	880,387	1,509,931	(3)	154,767	-
STOCKHOLDERS' EQUITY:								
Common stock	100,244	75,481,596	-	-	75,481,596	100,000	244	-
Preferred stock	-	-	-	-	-	-	-	-
Additional paid in capital	77,451,679	(895,819)	-	-	-	(64,675)	77,516,354	(895,819)
Retained earnings - prior	(24,666,956)	(20,983,034)	(3,650,446)	10,371,504	(28,599,911)	(27,864)	(24,639,092)	895,819
Retained earnings-current	(19,568,613)	(19,492,416)	1,268,874	(8,732,541)	(12,019,384)	(19,496)	(19,549,118)	(9,364)
Accumulated other comprehensive income	(5,211,524)	(6,480,418)	52,083	(199,432)	(6,333,091)	(5,459)	(5,206,064)	21
Dividends	-	-	-	-	-	-	-	-
TOTAL STOCKHOLDERS' EQUITY	28,104,830	27,629,909	(2,329,489)	1,439,531	28,529,210	(17,494)	28,122,324	(9,343)
\$ 33,075,013	\$ 27,629,909	\$ 95,612	\$ 2,319,918	\$ 30,039,141	\$ (17,497)	\$ 28,277,091	\$ (9,343)	

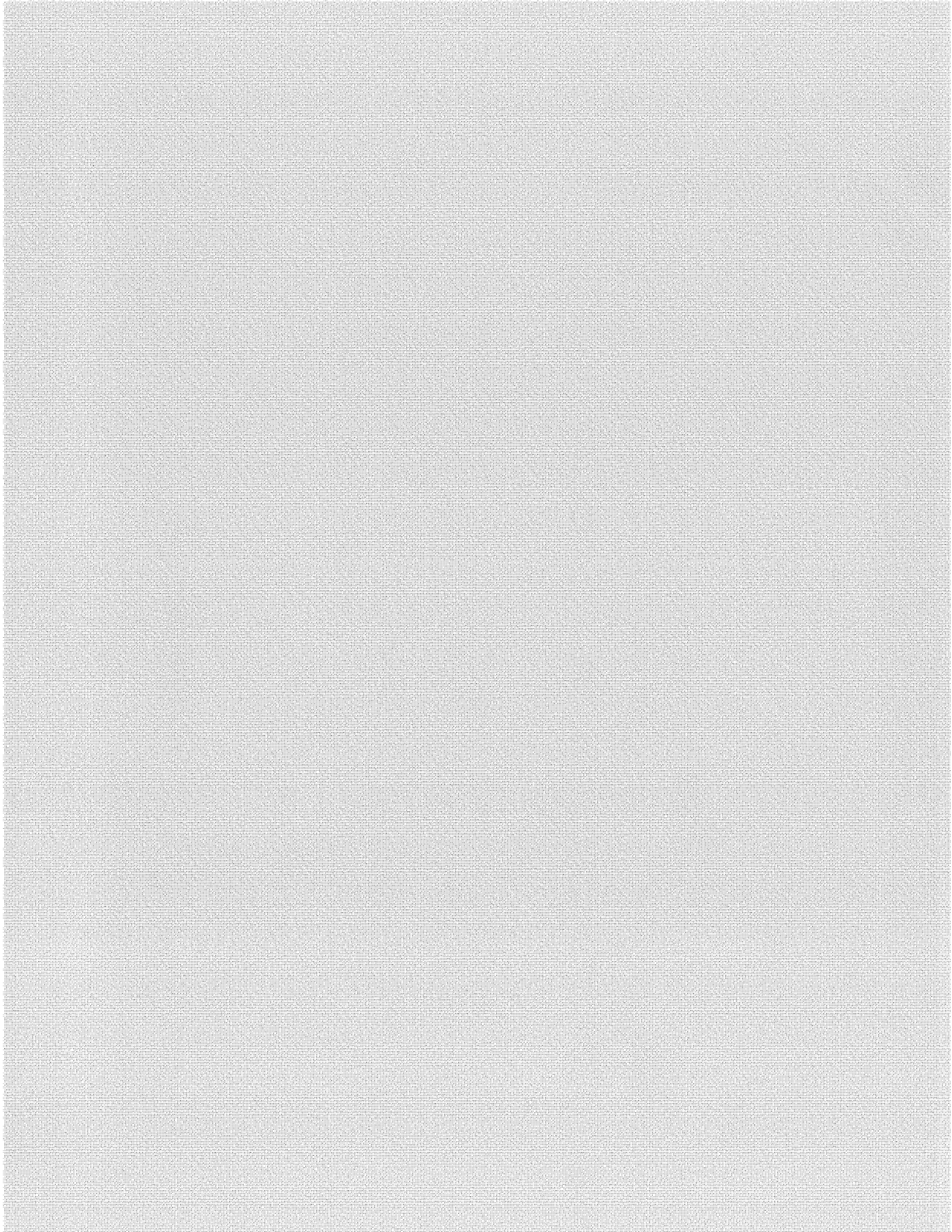


CANADA
COMBINED BALANCE SHEETS - CAD
DECEMBER 31, 2016

	COMBINED CANADA	ADJUSTMENTS & ELIMINATIONS	Co. 38, 48, 49 CANADA WH	Co. 39 NW CANADA RET	Co 5 CANADA, LP	Co 32 JONES CANADA, INC.	57 JONES APPAREL GROUP CANADA, ULC	58 JONES HOLDINGS CANADA LTD
ASSETS								
CURRENT:								
Cash and short-term investments	\$ 2,571,155		\$ 1,969,745	\$ 142,980	\$ 362,744	\$ 606	\$ 95,080	\$ -
Accounts receivable	2,562,871		1,024,108	85,975	1,452,788	-	-	-
Due from (to) Inter-company affiliates	(22,670,828)		(8,299,114)	(18,819,562)	4,294,231	(61,403)	227,604	(12,584)
Due from (to) affiliates - Jones Apparel LLC	30,248		-	-	30,248	-	-	-
Due from (to) affiliates - Parent	-		-	-	-	-	-	-
Inventories	20,107,594		5,434,048	13,324,769	1,348,777	-	-	-
Prepaid and refundable income taxes	586,277		-	-	-	-	586,277	-
Current portion of deferred taxes	-		-	-	-	-	-	-
Note Receivable	-		-	-	-	-	-	-
Prepaid expenses and other current assets	1,234,565		-	1,163,399	71,166	-	-	-
TOTAL CURRENT ASSETS	4,421,882	-	128,787	(4,102,439)	7,559,954	(60,797)	908,961	(12,584)
PROPERTY, PLANT AND EQUIPMENT, at cost, less accumulated depreciation								
PROPERTY UNDER CAPITAL LEASES, less accumulated amortization	5,376,625	-	-	5,370,057	6,568	-	-	-
INTERCOMPANY NOTE RECEIVABLE	45,250		-	45,250	-	-	-	-
INTERCOMPANY LICENSE AGREEMENTS	-		-	-	-	-	-	-
INVESTMENTS IN SUBSIDIARIES	-	(37,216,506)	-	-	-	-	-	-
INVESTMENTS IN UNCONSOLIDATED AFFILIATES	32,878,826		-	-	32,878,826	37,229	37,179,277	-
INTANGIBLES	1,271,563		-	1,271,563	-	-	-	-
GOODWILL, LESS ACCUMULATED AMORTIZATION	-		-	-	-	-	-	-
DEBT ISSUE COSTS	-		-	-	-	-	-	-
LONG-TERM PORTION OF DEFERRED TAXES	-		-	-	-	-	-	-
NOTE RECEIVABLE	-		-	-	-	-	-	-
OTHER ASSETS	556,732		-	540,416	16,316	-	-	-
TOTAL ASSETS	\$ 44,550,878	\$ (37,216,506)	\$ 128,787	\$ 3,124,847	\$ 40,461,664	\$ (23,568)	\$ 38,088,238	\$ (12,584)
LIABILITIES AND STOCKHOLDERS EQUITY								
CURRENT:								
Short term borrowings - revolver	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intercompany note payable	-		-	-	-	-	-	-
Current portion of long-term debt	-		-	-	-	-	-	-
Current portion of senior note discount	-		-	-	-	-	-	-
Current portion of bond fair market value adjustment	-		-	-	-	-	-	-
Obligation under capital leases	12,893		-	12,893	-	-	-	-
Accounts payable	2,323,038		3,244,397	(2,039,071)	1,117,712	-	-	-
Income taxes payable	(1)		-	-	-	-	(1)	-
Deferred taxes	-		-	-	-	-	-	-
Accrued expenses and other current liabilities	3,204,405		22,133	2,057,686	916,115	-	208,471	-
Rounding	(9)		(2)	(1)	(1)	(3)	(2)	-
Contingent consideration payable	-		-	-	-	-	-	-
Accrued interest and facility fees	-		-	-	-	-	-	-
Unearned income	-		-	-	-	-	-	-
TOTAL CURRENT LIABILITIES	5,540,326	-	3,266,528	31,507	2,033,826	(3)	208,468	-
NONCURRENT LIABILITIES:								
Senior Notes	-		-	-	-	-	-	-
Senior Note premium	-		-	-	-	-	-	-
Bond fair market value adjustment	-		-	-	-	-	-	-
Obligation under capital leases	33,079		-	33,079	-	-	-	-
Term loans	-		-	-	-	-	-	-
Term loans discount	-		-	-	-	-	-	-
Other long term debt	-		-	-	-	-	-	-
Deferred taxes	-		-	-	-	-	-	-
Income taxes payable	-		-	-	-	-	-	-
Due to Stuart Weitzman - Niro loan	-		-	-	-	-	-	-
Contingent consideration payable	-		-	-	-	-	-	-
Other	1,121,264		-	1,121,264	-	-	-	-
TOTAL NONCURRENT LIABILITIES	1,154,343	-	-	1,154,343	-	-	-	-
TOTAL LIABILITIES	6,694,669	-	3,266,528	1,185,850	2,033,826	(3)	208,468	-
STOCKHOLDERS' EQUITY:								
Common stock	121,309	83,900,531	-	-	83,900,531	121,007	302	-
Preferred stock	-	-	-	-	-	-	-	-
Additional paid in capital	86,022,624	(58,983,016)	-	-	-	(114,043)	86,136,667	(58,983,016)
Retained earnings - prior	(30,468,428)	30,021,390	(4,895,313)	13,577,865	(37,644,178)	(36,576)	(30,431,852)	58,983,016
Retained earnings-current	(25,966,350)	(25,869,449)	1,757,572	(11,638,868)	(15,975,567)	(25,875)	(25,940,477)	(12,584)
Accumulated other comprehensive income	8,147,054	8,147,050	-	-	8,147,052	31,922	8,115,130	-
Dividends	-	-	-	-	-	-	-	-
TOTAL STOCKHOLDERS' EQUITY	37,856,209	37,216,506	(3,137,741)	1,938,997	38,427,838	(23,565)	37,879,770	(12,584)
TOTAL EQUITY	\$ 44,550,878	\$ 37,216,506	\$ 128,787	\$ 3,124,847	\$ 40,461,664	\$ (23,568)	\$ 38,088,238	\$ (12,584)

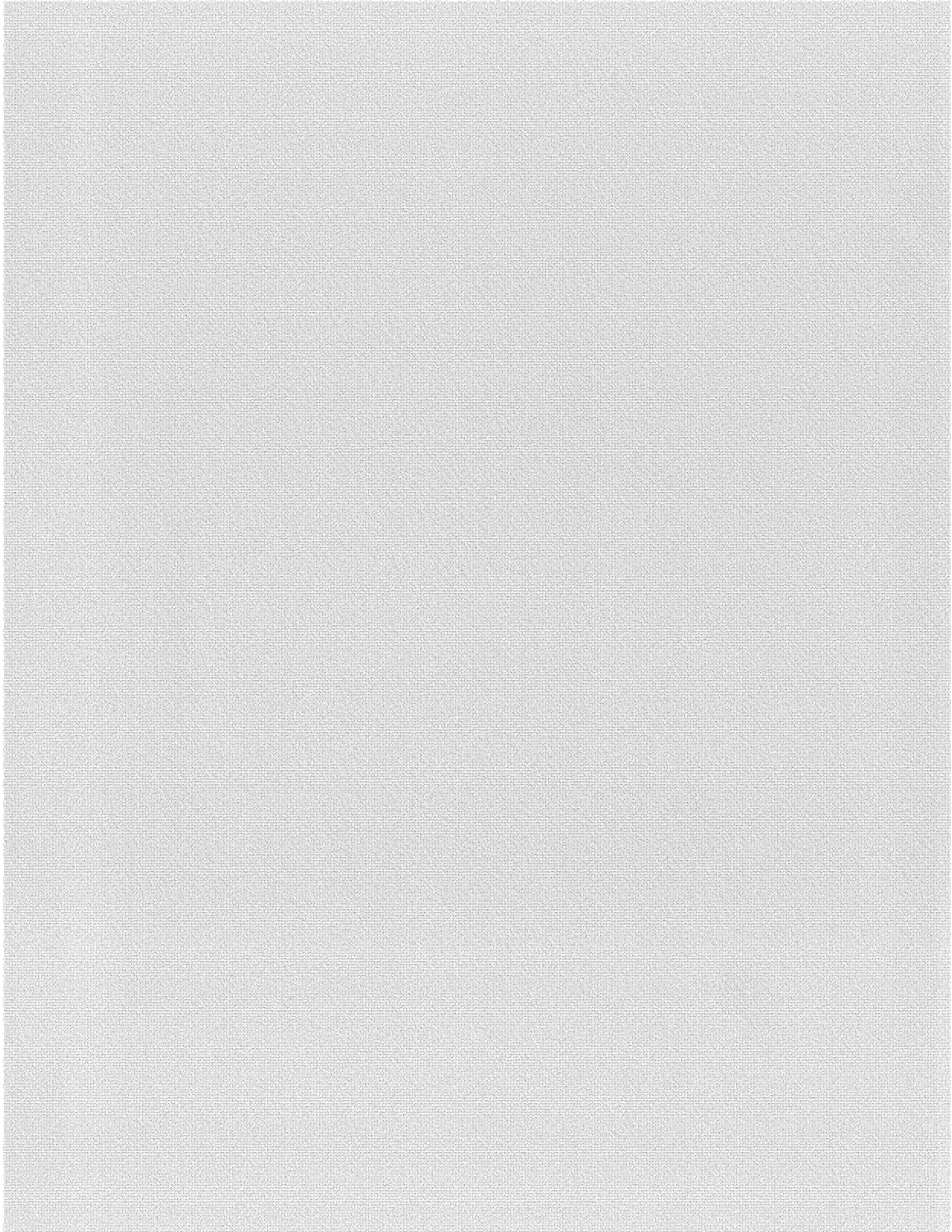
CANADA
 COMBINED INCOME STATEMENT - CAD
 YEAR ENDED DECEMBER 31, 2016

	COMBINED CANADA	ADJUSTMENTS & ELIMINATIONS	Co. 36, 48, 49 CANADA WH	Co. 39 NW CANADA RET	Co 5 CANADA, LP	JONES CANADA, INC.	JONES APPAREL GROUP CANADA, ULC	JONES HOLDINGS CANADA LTD
GROSS SALES	\$ 95,069,333		\$ 23,883,312	\$ 57,503,078	\$ 13,682,943	\$ -	\$ -	\$ -
SALES ALLOWANCES	4,154,224		3,048,025	-	1,106,199	-	-	-
CHARGEBACKS	195,454		-	-	195,454	-	-	-
DISCOUNTS	15,987,321		212,402	15,695,297	79,622	-	-	-
RETURNS	2,862,869		(75,868)	2,761,393	177,344	-	-	-
NET SALES	71,869,465	-	20,698,753	39,046,388	12,124,324	-	-	-
INTERCOMPANY SALES	-	-	-	-	-	-	-	-
ADVERTISING INCOME	-	-	-	-	-	-	-	-
LICENSING INCOME	-	-	-	-	-	-	-	-
MISCELLANEOUS REVENUE	-	-	-	-	-	-	-	-
TOTAL REVENUES	71,869,465	-	20,698,753	39,046,388	12,124,324	-	-	-
COST OF GOODS SOLD	47,218,928	-	16,658,838	21,967,754	8,592,336	-	-	-
GROSS PROFIT	24,650,537	-	4,039,915	17,078,634	3,531,988	-	-	-
	34.3%		19.3%	43.7%	29.1%			
DESIGNING, PRODUCTION, SELLING, SHIPPING AND GENERAL AND ADMINISTRATIVE EXPENSES	32,318,046		2,378,536	27,247,450	2,619,417	18	60,041	12,584
OTHER (INCOME) EXPENSE	(409,278)		(96,193)	(10,901)	(302,184)	-	-	-
EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION	(7,258,231)	-	1,757,572	(10,157,915)	1,214,755	(18)	(60,041)	(12,584)
	-10.1%		8.5%	-26.0%	10.0%			
AMORTIZATION OF INTANGIBLES	96,445	-	-	96,368	77	-	-	-
AMORTIZATION OF STORE FIXTURES	3,462	-	-	-	3,462	-	-	-
OTHER AMORTIZATION	-	-	-	-	-	-	-	-
DEPRECIATION AND AMORTIZATION EXPENSE	1,380,018	-	-	1,375,291	4,727	-	-	-
IMPAIRMENT OF GOODWILL	-	-	-	-	-	-	-	-
OPERATING INCOME (LOSS)	(8,738,156)	-	1,757,572	(11,629,574)	1,206,489	(18)	(60,041)	(12,584)
	-12.2%		8.5%	-29.8%	10.0%			
INTERCOMPANY INTEREST (INCOME) EXPENSE	-	-	-	-	-	-	-	-
INTEREST INCOME	(1,421)	-	-	-	(1,421)	-	-	-
INTEREST EXPENSE AND FINANCING COSTS	9,294	-	-	9,294	-	-	-	-
	7,873	-	-	9,294	(1,421)	-	-	-
INCOME (LOSS) BEFORE INTERCOMPANY CHARGES	(8,746,029)	-	1,757,572	(11,638,868)	1,207,910	(18)	(60,041)	(12,584)
INTERCOMPANY ROYALTIES	-	-	-	-	-	-	-	-
GAIN (LOSS) ON PURCHASE OF SUBSIDIARY EQUITY IN INCOME OF SUBSIDIARIES	-	(25,869,449)	-	-	-	(25,857)	(25,843,592)	-
EQUITY IN INCOME OF UNCONSOLIDATED AFFILIATES	(17,183,477)	-	-	-	(17,183,477)	-	-	-
INCOME (LOSS) BEFORE TAXES	(25,929,506)	(25,869,449)	1,757,572	(11,638,868)	(15,975,567)	(25,875)	(25,903,633)	(12,584)
PROVISION FOR TAXES - CURRENT	36,844	-	-	-	-	-	36,844	-
PROVISION FOR TAXES - DEFERRED	-	-	-	-	-	-	-	-
	36,844	-	-	-	-	-	36,844	-
NET INCOME (LOSS)	\$ (25,966,350)	\$ (25,869,449)	\$ 1,757,572	\$ (11,638,868)	\$ (15,975,567)	\$ (25,875)	\$ (25,940,477)	\$ (12,584)



CANADA
COMBINED BALANCE SHEETS
DECEMBER 31, 2017

	COMBINED CANADA	ADJUSTMENTS & ELIMINATIONS	Co. 38, 48, 49 CANADA WH	Co. 39 NW CANADA RET	Co 5 CANADA, LP	Co 32 JONES CANADA, INC.	57 JONES APPAREL GROUP CANADA, ULC	58 JONES HOLDINGS CANADA LTO
ASSETS								
CURRENT:								
Cash and short-term investments	\$ 2,128,699		\$ 1,704,151	\$ 95,945	\$ 328,603	\$ -	\$ -	\$ -
Accounts receivable	1,200,938		1,228,288	100,202	(127,552)	-	-	-
Due from (to) Inter-Company	(3,512,840)		669,026	(7,020,046)	2,624,533	(48,519)	262,166	-
Due from (to) Inter-Company (new)	(61,133)		4,467,105	(4,528,238)	-	-	-	-
Due from (to) affiliates - Jones Apparel LLC	26,428		-	-	26,428	-	-	-
Due from (to) affiliates - Parent	-		-	-	-	-	-	-
Inventories	11,752,537		6,453,162	4,839,332	460,043	-	-	-
Prepaid and refundable income taxes	(7,348)		-	-	-	-	(7,348)	-
Note Receivable	-		-	-	-	-	-	-
Prepaid expenses and other current assets	392,236		-	233,623	158,613	-	-	-
TOTAL CURRENT ASSETS	11,919,517	-	14,521,732	(6,279,182)	3,470,668	(48,519)	254,818	-
PROPERTY, PLANT AND EQUIPMENT, at cost, less accumulated depreciation								
	3,433,483		-	3,431,241	2,242	-	-	-
PROPERTY UNDER CAPITAL LEASES, less accumulated amortization								
	23,796		-	23,796	-	-	-	-
INTERCOMPANY NOTE RECEIVABLE								
	-		-	-	-	-	-	-
INTERCOMPANY LICENSE AGREEMENTS								
	-		-	-	-	-	-	-
INVESTMENTS IN SUBSIDIARIES								
	-	2,640,816	-	-	-	(2,639)	(2,638,177)	-
INVESTMENTS IN UNCONSOLIDATED AFFILIATES								
	-		-	-	-	-	-	-
INTANGIBLES								
	834,698		-	834,698	-	-	-	-
GOODWILL, LESS ACCUMULATED AMORTIZATION								
	-		-	-	-	-	-	-
DEBT ISSUE COSTS								
	-		-	-	-	-	-	-
LONG-TERM PORTION OF DEFERRED TAXES								
	-		-	-	-	-	-	-
NOTE RECEIVABLE								
	-		-	-	-	-	-	-
OTHER ASSETS								
	424,536		-	414,738	9,798	-	-	-
	\$ 16,636,030	\$ 2,640,816	\$ 14,521,732	\$ (1,574,709)	\$ 3,482,708	\$ (51,158)	\$ (2,383,359)	\$ -
LIABILITIES AND STOCKHOLDERS EQUITY								
CURRENT:								
Short term borrowings - revolver	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intercompany note payable	14,064,396		14,064,396	-	-	-	-	-
Current portion of long-term debt	-		-	-	-	-	-	-
Current portion of senior note discount	-		-	-	-	-	-	-
Current portion of bond fair market value adjustment	-		-	-	-	-	-	-
Obligation under capital leases	12,381		-	12,381	-	-	-	-
Accounts payable	1,350,063		767,161	374,952	207,950	-	-	-
Income taxes payable	-		-	-	-	-	-	-
Deferred taxes	-		-	-	-	-	-	-
Accrued expenses and other current liabilities	2,622,061		98,631	1,387,850	969,514	-	166,066	-
Rounding	3		1	3	1	(1)	(1)	-
Contingent consideration payable	-		-	-	-	-	-	-
Accrued interest and facility fees	-		-	-	-	-	-	-
Unearned income	5,586		-	5,586	-	-	-	-
TOTAL CURRENT LIABILITIES	18,054,490	-	14,930,189	1,780,772	1,177,465	(1)	166,065	-
NONCURRENT LIABILITIES:								
Senior Notes	-		-	-	-	-	-	-
Senior Note premium	-		-	-	-	-	-	-
Bond fair market value adjustment	-		-	-	-	-	-	-
Obligation under capital leases	13,969		-	13,969	-	-	-	-
Term loans	-		-	-	-	-	-	-
Term loans discount	-		-	-	-	-	-	-
Other long term debt	-		-	-	-	-	-	-
Deferred taxes	-		-	-	-	-	-	-
Income taxes payable	-		-	-	-	-	-	-
Due to Stuart Weitzman - Niro loan	-		-	-	-	-	-	-
Contingent consideration payable	-		-	-	-	-	-	-
Other	1,168,155		-	1,168,155	-	-	-	-
TOTAL NONCURRENT LIABILITIES	1,182,124	-	-	1,182,124	-	-	-	-
TOTAL LIABILITIES	19,236,614	-	14,930,189	2,962,896	1,177,465	(1)	166,065	-
STOCKHOLDERS' EQUITY:								
Common stock	100,244	75,481,596	-	-	75,481,596	100,000	244	-
Preferred stock	-	-	-	-	-	-	-	-
Additional paid in capital	77,451,679	-	-	-	-	(64,675)	77,516,354	-
Retained earnings - prior	(41,235,574)	(41,338,062)	(2,381,573)	1,638,962	(40,619,296)	(47,361)	(44,188,213)	23,845
Retained earnings-current	(33,999,354)	(33,758,389)	2,271,031	(6,291,053)	(29,714,523)	(33,819)	(33,965,534)	(23,845)
Accumulated other comprehensive income	(1,917,579)	(3,025,961)	(297,915)	114,486	(2,842,534)	(5,302)	(1,912,275)	-
Dividends	-	-	-	-	-	-	-	-
TOTAL STOCKHOLDERS' EQUITY	(2,600,584)	(2,640,816)	(408,457)	(4,537,605)	2,305,243	(51,157)	(2,549,424)	-
	\$ 16,636,030	\$ (2,640,816)	\$ 14,521,732	\$ (1,574,709)	\$ 3,482,708	\$ (51,158)	\$ (2,383,359)	\$ -



CANADA
COMBINED BALANCE SHEETS - CAD
DECEMBER 31, 2017

	COMBINED CANADA	ADJUSTMENTS & ELIMINATIONS	Co. 38, 48, 49 CANADA WH	Co. 39 NW CANADA RET	Co 5 CANADA, LP	Co 32 JONES CANADA, INC.	57 JONES APPAREL GROUP CANADA, ULC	58 JONES HOLDINGS CANADA LTD
ASSETS								
CURRENT:								
Cash and short-term investments	\$ 2,672,265		\$ 2,139,307	\$ 120,445	\$ 412,513	\$ -	\$ -	\$ -
Accounts receivable	1,507,598		1,541,932	125,788	(160,122)	-	-	-
Due from (to) Inter-company	(4,409,852)		839,857	(8,812,621)	3,294,710	(60,909)	329,111	-
Due from (to) Inter-company (NEW)	(76,744)		5,607,784	(5,684,528)	-	-	-	-
Due from (to) affiliates - Jones Apparel LLC	33,176		-	-	33,176	-	-	-
Due from (to) affiliates - Parent	-		-	-	-	-	-	-
Inventories	14,753,557		8,100,983	6,075,059	577,515	-	-	-
Prepaid and refundable income taxes	(9,224)		-	-	-	-	(9,224)	-
Current portion of deferred taxes	-		-	-	-	-	-	-
Note Receivable	-		-	-	-	-	-	-
Prepaid expenses and other current assets	492,293		-	293,278	199,115	-	-	-
TOTAL CURRENT ASSETS	14,963,169	-	18,229,863	(7,882,579)	4,356,907	(60,909)	319,887	-
PROPERTY, PLANT AND EQUIPMENT, at cost, less accumulated depreciation	4,310,226	-	-	4,307,411	2,815	-	-	-
PROPERTY UNDER CAPITAL LEASES, less accumulated amortization	29,872	-	-	29,872	-	-	-	-
INTERCOMPANY NOTE RECEIVABLE	-	-	-	-	-	-	-	-
INTERCOMPANY LICENSE AGREEMENTS	-	-	-	-	-	-	-	-
INVESTMENTS IN SUBSIDIARIES	-	3,315,156	-	-	-	(3,315)	(3,311,841)	-
INVESTMENTS IN UNCONSOLIDATED AFFILIATES	-	-	-	-	-	-	-	-
INTANGIBLES	1,047,839	-	-	1,047,839	-	-	-	-
GOODWILL, LESS ACCUMULATED AMORTIZATION	-	-	-	-	-	-	-	-
DEBT ISSUE COSTS	-	-	-	-	-	-	-	-
LONG-TERM PORTION OF DEFERRED TAXES	-	-	-	-	-	-	-	-
NOTE RECEIVABLE	-	-	-	-	-	-	-	-
OTHER ASSETS	532,941	-	-	520,641	12,300	-	-	-
	\$ 20,884,047	\$ 3,315,156	\$ 18,229,863	\$ (1,976,816)	\$ 4,372,022	\$ (64,224)	\$ (2,991,954)	\$ -
LIABILITIES AND STOCKHOLDERS EQUITY								
CURRENT:								
Short term borrowings - revolver	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intercompany note payable	17,655,752		17,655,752	-	-	-	-	-
Current portion of long-term debt	-		-	-	-	-	-	-
Current portion of senior note discount	-		-	-	-	-	-	-
Current portion of bond fair market value adjustment	-		-	-	-	-	-	-
Obligation under capital leases	15,542		-	15,542	-	-	-	-
Accounts payable	1,694,800		963,054	470,696	261,050	-	-	-
Income taxes payable	(1)		-	-	-	-	(1)	-
Deferred taxes	1		-	-	-	1	-	-
Accrued expenses and other current liabilities	3,291,607		123,816	1,742,239	1,217,081	-	208,471	-
Rounding	(8)		(2)	-	-	(3)	(3)	-
Contingent consideration payable	-		-	-	-	-	-	-
Accrued interest and facility fees	-		-	-	-	-	-	-
Unearned income	7,012		-	7,012	-	-	-	-
TOTAL CURRENT LIABILITIES	22,664,705	-	18,742,620	2,235,489	1,478,131	(2)	208,467	-
NONCURRENT LIABILITIES:								
Senior Notes	-		-	-	-	-	-	-
Senior Note premium	-		-	-	-	-	-	-
Bond fair market value adjustment	-		-	-	-	-	-	-
Obligation under capital leases	17,536		-	17,536	-	-	-	-
Term loans	-		-	-	-	-	-	-
Term loans discount	-		-	-	-	-	-	-
Other long term debt	-		-	-	-	-	-	-
Deferred taxes	-		-	-	-	-	-	-
Income taxes payable	-		-	-	-	-	-	-
Due to Stuart Weitzman - Niro loan	-		-	-	-	-	-	-
Contingent consideration payable	-		-	-	-	-	-	-
Other	1,466,444		-	1,466,444	-	-	-	-
TOTAL NONCURRENT LIABILITIES	1,483,980	-	-	1,483,980	-	-	-	-
TOTAL LIABILITIES	24,148,685	-	18,742,620	3,719,469	1,478,131	(2)	208,467	-
STOCKHOLDERS' EQUITY:								
Common stock	121,309	83,900,531	-	-	83,900,531	121,007	302	-
Preferred stock	-	-	-	-	-	-	-	-
Additional paid in capital	86,022,624	1	-	-	-	(114,043)	86,136,667	1
Retained earnings - prior	(56,434,779)	(54,789,388)	(3,137,741)	1,938,997	(53,619,747)	(62,451)	(56,372,328)	29,103
Retained earnings-current	(44,907,903)	(44,360,407)	2,624,984	(7,635,282)	(39,321,002)	(44,444)	(44,863,462)	(29,104)
Accumulated other comprehensive income	11,934,111	11,934,107	-	-	11,934,109	35,709	11,898,400	-
Dividends	-	-	-	-	-	-	-	-
TOTAL STOCKHOLDERS' EQUITY	(3,264,638)	(3,315,156)	(512,757)	(5,696,285)	2,893,891	(64,222)	(3,200,421)	-
	\$ 20,884,047	\$ (3,315,156)	\$ 18,229,863	\$ (1,976,816)	\$ 4,372,022	\$ (64,224)	\$ (2,991,954)	\$ -

CANADA
 COMBINED INCOME STATEMENT - CAD
 YEAR ENDED DECEMBER 31, 2017

	COMBINED CANADA	ADJUSTMENTS & ELIMINATIONS	Co. 38, 48, 49 CANADA IWH	Co. 39 NIW CANADA RET	Co 5 CANADA, LP	JONES CANADA, INC.	JONES APPAREL GROUP CANADA, LLC	JONES HOLDINGS CANADA LTD
GROSS SALES	\$ 73,830,535		\$ 18,001,982	\$ 50,061,645	\$ 5,766,908	\$ -	\$ -	\$ -
SALES ALLOWANCES	1,690,487		1,920,675	-	(230,188)	-	-	-
CHARGEBACKS	(14,718)		65,317	-	(80,035)	-	-	-
DISCOUNTS	11,658,074		23,398	11,583,873	50,803	-	-	-
RETURNS	4,265,337		368,018	3,916,524	(19,205)	-	-	-
NET SALES	56,231,355		15,624,574	34,561,248	6,045,533	-	-	-
INTERCOMPANY SALES	213,564	12,102,277	12,102,277	-	213,564	-	-	-
ADVERTISING INCOME	-	-	-	-	-	-	-	-
LICENSING INCOME	-	-	-	-	-	-	-	-
MISCELLANEOUS REVENUE	391,125	-	-	391,125	-	-	-	-
TOTAL REVENUES	56,836,044	12,102,277	27,726,851	34,952,373	6,259,097	-	-	-
COST OF GOODS SOLD	34,640,322	12,102,277	23,563,199	18,184,108	4,995,292	-	-	-
GROSS PROFIT	22,195,722	-	4,163,652	16,768,265	1,263,805	-	-	-
	39.1%		15.0%	48.0%	20.2%			
DESIGNING, PRODUCTION, SELLING, SHIPPING AND GENERAL AND ADMINISTRATIVE EXPENSES	28,506,490		1,495,664	22,798,009	4,044,745	112	138,856	29,104
OTHER (INCOME) EXPENSE	(259,606)		(6,240)	(119,777)	(133,590)	1	-	-
EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION	(6,051,162)	-	2,674,228	(5,909,967)	(2,647,350)	(113)	(138,856)	(29,104)
	-10.6%		9.6%	-16.9%	-42.3%			
AMORTIZATION OF INTANGIBLES	85,232		-	85,232	-	-	-	-
AMORTIZATION OF STORE FIXTURES	4,016		-	-	4,016	-	-	-
OTHER AMORTIZATION	-		-	-	-	-	-	-
DEPRECIATION AND AMORTIZATION EXPENSE	1,636,252		-	1,632,499	3,753	-	-	-
IMPAIRMENT OF GOODWILL	-		-	-	-	-	-	-
OPERATING INCOME (LOSS)	(7,776,662)	-	2,674,228	(7,627,698)	(2,655,119)	(113)	(138,856)	(29,104)
	-13.7%		9.6%	-21.8%	-42.4%			
INTERCOMPANY INTEREST (INCOME) EXPENSE	49,244		49,244	-	-	-	-	-
INTEREST INCOME	-		-	-	-	-	-	-
INTEREST EXPENSE AND FINANCING COSTS	7,584		-	7,584	-	-	-	-
	56,828		49,244	7,584	-	-	-	-
INCOME (LOSS) BEFORE INTERCOMPANY CHARGES	(7,833,490)	-	2,624,984	(7,635,282)	(2,655,119)	(113)	(138,856)	(29,104)
INTERCOMPANY ROYALTIES	-		-	-	-	-	-	-
GAIN (LOSS) ON PURCHASE OF SUBSIDIARY	-		-	-	-	-	-	-
EQUITY IN INCOME OF SUBSIDIARIES	-	(44,360,407)	-	-	-	(44,331)	(44,316,076)	-
EQUITY IN INCOME OF UNCONSOLIDATED AFFILIATES	(36,665,883)		-	-	(36,665,883)	-	-	-
INCOME (LOSS) BEFORE TAXES	(44,499,373)	(44,360,407)	2,624,984	(7,635,282)	(39,321,002)	(44,444)	(44,454,932)	(29,104)
PROVISION FOR TAXES - CURRENT	408,530		-	-	-	-	408,530	-
PROVISION FOR TAXES - DEFERRED	-		-	-	-	-	-	-
	408,530		-	-	-	-	408,530	-
NET INCOME (LOSS)	\$ (44,907,903)	\$ (44,360,407)	\$ 2,624,984	\$ (7,635,282)	\$ (39,321,002)	\$ (44,444)	\$ (44,863,462)	\$ (29,104)

THIS IS EXHIBIT "J", referred to in the Affidavit of Ralph Schipani, sworn on April 6, 2018.

Katherine Blaukoff
Commissioner for Taking Affidavits

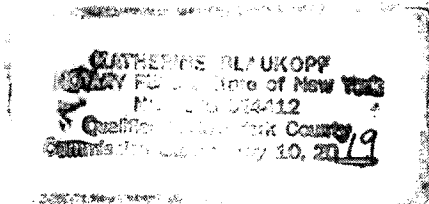
KATHERINE BLAUKOFF
NOTARY PUBLIC, State of New York
No. 04818024412
Qualified in New York County
Commission Expires May 10, 2019

KATHERINE BLAUKOFF
NOTARY PUBLIC, State of New York
No. 04818024412
Qualified in New York County
Commission Expires May 10, 2019

EXHIBIT “K”

THIS IS EXHIBIT "K", referred to in the Affidavit of Ralph Schipani, sworn on April 6, 2018.

Kathleen Blaukopf
Commissioner for Taking Affidavits





Industry Canada

Office of the Superintendent
of Bankruptcy Canada

Industrie Canada

Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 09 - Toronto
Court No. 31-2363759
Estate No. 31-2363759

In the Matter of the Notice of Intention to make a
proposal of:

Nine West Canada LP
Insolvent Person

**RICHTER ADVISORY GROUP INC / RICHTER GROUPE
CONSEI**

Licensed Insolvency Trustee

Date of the Notice of Intention: April 06, 2018

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the *Bankruptcy and Insolvency Act*.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: April 06, 2018, 12:28

E-File/Dépôt Electronique

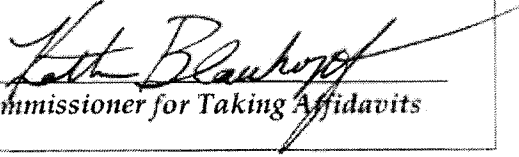
Official Receiver

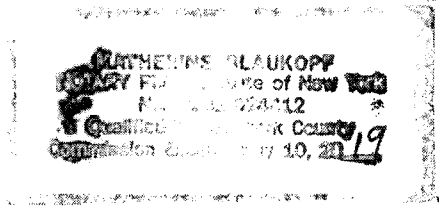
151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

Canada

EXHIBIT “L”

THIS IS EXHIBIT "L", referred to in the Affidavit of Ralph Schipani, sworn on April 6, 2018.


Commissioner for Taking Affidavits



CONSULTING AGREEMENT

This Consulting Agreement, dated as of April ●, 2018 (this "Agreement") is made by and between SB360 Capital Partners, LLC (the "Consultant"), as consultant, and Nine West Canada LP (the "Company" or the "Merchant"), and acknowledged by Richter Advisory Group Inc. ("Richter"), in its capacity as Court-appointed proposal trustee of the Company.

RECITALS:

WHEREAS the Merchant filed a Notice of Intention to Make a Proposal (the "NOI") under subsection 50.4(1) of *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the "BIA"), and appointed Richter as trustee for the proposal of the Merchant (the "Trustee"), on April ●, 2018;

AND WHEREAS the NOI will provide that the Company benefits from a stay of proceedings against the Company's business and property, as well as other protections in the proceedings under the BIA (the "NOI Proceedings");

AND WHEREAS, the Merchant operates 35 retail stores in Canada and the Merchant desires to retain the Consultant to act as exclusive consultant for the purpose of advising the Company, with respect to a sale of the Merchandise (as defined below) and the Merchant's owned furniture, fixtures and equipment (the "FF&E"), located at the Merchant's retail store locations identified on **Exhibit A** attached hereto (each individually, a "Closing Store", and collectively, the "Closing Stores", provided that the Company may elect to modify (by addition or removal) the Closing Stores listed on Exhibit A) as well as certain inventory currently located or to be located in the Merchant's distribution centers which the Merchant requires to be sold through the Sale (as defined herein), by means of a promotional "store closing", "everything must go" or similar themed sale, as approved in writing by the Merchant (the "Sale");

AND WHEREAS, the Consultant is willing to serve as the Merchant's consultant for the purpose of providing such consulting services, upon the terms and conditions and in the manner set forth in this Agreement and the Approval Order (defined below);

AND WHEREAS the Merchant believes that entering into this Agreement is in the best interest of the Merchant's stakeholders as a whole in order to maximize value;

AND WHEREAS the Consultant and the Company agree and acknowledge that the entering into of this Agreement by the Company is subject to the issuance of an Order of the Ontario Superior Court of Justice (Commercial List) the ("Court") in the NOI Proceedings, among other things, approving this Agreement and the Sale Guidelines (the "Approval Order") and that should the Approval Order not be obtained, this Agreement shall have no force or effect;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Consultant and the Company hereto agree as follows:

I. Definitions

For the purposes of this Agreement, the terms listed below shall have the respective meanings indicated:

"Agreement" has the meaning set out in the Recitals hereto;

"Approval Order" has the meaning set out in the Recitals hereto;

"BIA" has the meaning set out in the Recitals hereto;

"Budget" shall mean the Consultant Controlled Expense Budget through June 30th, 2018, a copy of which is attached hereto as **Exhibit B**, which shall be modified as agreed to by the Company and the Consultant as a result of the increase or decrease in the number of Closing Stores;

"Closing Store or Closing Stores" has the meaning set out in the Recitals hereto;

"Closing Store Employees" shall mean those employees of the Merchant retained to conduct the Sale following consultation with the Consultant;

"Company" has the meaning set out in the Recitals hereto;

"Consultant" has the meaning set out in the Recitals hereto;

"Consultant Controlled Expenses" has the meaning set out in section 3.1 hereof;

"Consulting Fee" has the meaning set out in section 3.2 hereof;

"Consulting Services" has the meaning set out in section 2.2 hereof;

"Court" has the meaning set out in the Recitals hereto;

"Employee Discounts" has the meaning set out in section 5.2 hereof;

"Final Settlement" has the meaning set out in section 4.3 hereof;

"FF&E" has the meaning set out in the Recitals hereto;

"FF&E Fee" has the meaning set out in section 3.4 hereof;

"Gift Cards" shall mean all gift cards issued by the Company and outstanding prior to the commencement of the Sale;

"Gross Proceeds" shall mean all proceeds of sales of Merchandise (excluding applicable sales tax) derived from the Sale less credit card processing fees (at the Merchant's customary rates), provided, however, that it is expressly understood and agreed, that Gross Proceeds shall not include proceeds of sales made prior to the Sale Commencement Date or after the Sale Termination Date (including items which were sold prior to the Sale Commencement Date but delivered following the Sale Commencement Date);

"Leases" shall mean all leases, occupancy agreements, reciprocal easement or similar agreements pursuant to which Merchant has the right to occupy or utilize the Closing Stores;

"Merchandise" shall mean each item of saleable inventory at the Closing Stores as of the Sale Commencement or received in Closing Stores subsequently. Where additional inventory previously designated for wholesale may be made available for sale through the retail stores during the course of the Sale, the Merchant and Consultant shall agree upon a mutually agreed revised budget of the Consultant Controlled Expenses to address such additional inventory;

"Merchant" has the meaning set out in the Recitals hereto;

"Merchant Indemnified Parties" has the meaning set out in section 8.2 hereof;

"NOI" has the meaning set out in the Recitals hereto;

"NOI Proceedings" has the meaning set out in the Recitals hereto;

"Privacy Laws" shall include the *Personal Information Protection and Electronic Documents Act* (Canada), the *Freedom of Information and Protection of Privacy Act* (Canada) and any comparable law of any province or territory of Canada;

"Remaining Merchandise" has the meaning set out in section 3.3 hereof;

"Retail Price" shall mean the lowest ticketed file price as reflected in the Merchant's books and records as of the Sale Commencement Date, for such item of Merchandise excluding (i) any point of sale discounts or similar adjustments regardless of duration on the Sale Commencement Date; (ii) employee discounts; (iii) multi-unit purchase discounts; (iv) adjustments for damaged, defective or "as-is" items; (v) coupons (the Merchant's or competitors'), catalog, website, or circular prices, or "buy one get one" type discounts; or (vi) similar customer specific, temporary, or employee non-product specific discounts or pricing accommodations. The aggregate current retail price of the Merchandise as reflected in the Merchant's register system as of the Sale Commencement Date is estimated to be approximately \$29 million;

"Richter" has the meaning set out in the Recitals hereto;

"Sale" has the meaning set out in the Recitals hereto;

"Sales Accounts" has the meaning set out in section 4.1 hereof;

"Sale Commencement Date" shall mean, with respect to each Closing Store, the first calendar day after issuance and entry of the Approval Order, authorizing and approving this Agreement and the Merchant's and the Consultant's performance of their respective obligations arising hereunder, or such other date as shall be agreed by the Company and the Consultant, but in no event earlier than April 14th, 2018 or later than April 21st, 2018.

"Sale Expenses" shall mean all expenses incurred in connection with the Sale, including, without limitation the following: (i) advertising expenses (including direct media costs, agency fees and production costs) in an aggregate amount not to exceed the amounts set forth on the Budget; (ii) payroll for Closing Store-level employees utilized in connection with the Sale, and related employee benefits and payroll taxes; (iii) maintenance and store cleaning costs; (iv) security costs; (v) credit card processing fees (at the Merchant's customary rates); (vi) employee bonuses determined by the Merchant; (vii) all occupancy costs (e.g., rent, percentage rent, CAM charges, HVAC charges, real estate taxes, etc.) relative to the Closing Stores; (viii) insurance; (ix) telephone charges; and (x) all Supervisor Costs in accordance with Section 2.3 hereof;

"Sale Guidelines" has the meaning provided for in section 2.2(c) hereof;

"Sale Term" shall mean the period of time beginning with the Sale Commencement Date and ending on the Sale Termination Date;

"Sale Termination Date" shall mean the date determined by the Company and the Consultant to terminate the Sale at the Closing Stores, which shall be June 30th, 2018, subject to amendment by agreement of the Company and the Consultant;

"Supervisor(s)" shall mean the individual(s) whom Consultant shall directly engage to provide Consulting Services in the Closing Stores to Merchant in connection with the Sale in accordance with Section 2.3 below;

"Supervisor Costs" shall have the meaning set forth in Section 2.3 of this Agreement; and

"Trustee" has the meaning set out in the Recitals hereto.

2. **Consulting Services**

2.1 Subject to the entry of and the terms of the Approval Order, the Company hereby engages the Consultant and the Consultant hereby agrees to serve as an independent consultant to the Company for the limited purpose of providing the Consulting Services (as defined below), on an exclusive basis, in connection with the Sale, the whole in accordance with the terms and conditions of this Agreement. With respect to the Sale, the Consultant shall serve as the sole and exclusive consultant to the Company relative thereto throughout the Sale Term.

The Consultant hereby acknowledges that it will not hold itself out as consultant of the Company except as specifically provided for herein and that the Consultant's authority as Consultant of the Company is limited to the powers specifically provided for in this Agreement. Except as otherwise specifically provided for in this Agreement, the Consultant shall have no authority to enter into any contract, agreement or other arrangement or take any other action, by or on behalf of the Company that would have the effect of creating any obligation or liability, present or contingent, on behalf of or for the account of the Company without the prior written consent of the Company.

2.2 On the terms and conditions set forth herein, commencing as of the Sale Commencement Date, the Consultant shall provide the Company with the following services (the "Consulting Services") with respect to the conduct of the Sale:

- a) provision of full-time Supervisors to supervise and conduct the Sale as further described in Section 2.3 below; provided that the determination of the number of Supervisors supplied for the Sale shall be determined by the Consultant following consultation with the Merchant;
- b) provide the Merchant with such oversight, supervision and guidance with respect to the conduct of the Sale and the liquidation and disposal of the Merchandise from the Closing Stores, any associated storage facility as may be required in order to maximize Gross Proceeds;
- c) recommend and implement appropriate point of purchase, point of sale and external advertising to effectively sell the Merchandise during the Sale Term, consistent with the theme of the Sale, it being understood that the Sale will be advertised as a "store closing", "sale on everything" or similar sale themes throughout the term of the Sale subject to the Company's approval and in

accordance with the sale guidelines substantially in the form attached to the Approval Order (the "Sale Guidelines");

d) advise the Merchant as to appropriate pricing and discounting of the Merchandise, appropriate staffing levels for the Closing Stores (including Closing Store Employees) (and the Merchant agrees to take direction from the Consultant with regard to Closing Store Employee staffing levels), and appropriate bonus and incentive programs for Closing Store Employees;

e) advise the Merchant as to the appropriate closing date of individual Closing Stores, and potential consolidation of inventory to remaining stores, in order to maximize Gross Proceeds;

f) assist the Merchant in the formulation and implementation of a security program designed to protect the inventory from shortages;

g) advise and assist the Merchant in the development and implementation of programs for the handling of open customer orders and customer deposit issues, including, where appropriate, fulfillment of such orders as may be designated by the Company; and

h) provide such other related services deemed necessary or prudent by the Company and the Consultant under the circumstances giving rise to the Sale.

2.3 In connection with the Sale, the Consultant shall directly retain and engage the Supervisors for each Closing Store. The Supervisors are independent contractors engaged by the Consultant and are not and shall not be deemed to be employees or consultants of the Merchant in any manner whatsoever; nor do the Supervisors have any relationship with the Merchant by virtue of this Agreement or otherwise which creates any liability or responsibility on behalf of the Merchant for the Supervisors. During the Sale Term, the Supervisors shall perform Consulting Services during normal Closing Store operating hours and for the period of time prior to the Closing Stores opening and subsequent to the Closing Stores closing, as required in connection with the Sale, in the Consultant's discretion. The Consultant shall provide one full time qualified lead supervisor for the project and one full time qualified administrative supervisor for the project, the expense for which is included in the Budget. In consideration of Consultant's engagement of the Supervisors, the Merchant agrees to pay the Consultant, as a Sale Expense, the Supervisor-related costs, expenses and deferred compensation, in accordance with and subject to the Budget (collectively, the "Supervisor Costs"). The Merchant shall reimburse the Consultant for all Supervisor Costs weekly, based upon invoices or other documentation reasonably satisfactory to the Merchant.

2.4 Title to all Merchandise and FF&E shall remain with the Merchant at all times during the Sale Term until such Merchandise is sold in the Sale. Although the Consultant shall undertake its obligations under this Agreement in a manner designed to achieve the desired results of the Sale and to maximize the benefits to the Merchant's stakeholders, the Merchant expressly acknowledges that the Consultant is not guaranteeing the results of the Sale. All sales of Merchandise and FF&E in the Closing Stores shall be made on behalf of the Merchant, and all sales shall be final. The parties acknowledge and agree that no Closing Stores will honour returns with respect to any items whether or not purchased prior to the Sale. The Closing Stores shall accept loyalty points and Gift Cards issued by the Company prior to the Sale Commencement Date.

3. **Expenses: Consultant's Fees**

3.1 **Sale Expenses.** (a) To control expenses of the Sale, the Consultant and the Merchant have agreed on the Budget. In connection with the Sale, the Merchant shall be responsible for the payment of all expenses incurred in connection with the Sale, including all Sale Expenses. The Consultant shall not incur Supervisor Costs, advertising and sign expenses, legal expenses and corporate travel, or cause the Merchant to incur employee base payroll expenses (not inclusive of benefits or payroll taxes) (collectively the "**Consultant Controlled Expenses**") in aggregate amounts in excess of such amounts set forth in the Budget without the prior written consent of the Company. In the event that the Merchant shall not approve any such overage with respect to Consultant Controlled Expenses and the Consultant nevertheless causes such Consultant Controlled Expenses to be incurred, then the Consultant shall fund such Sale Expenses in excess of the Budget. It is anticipated that the Consultant may advance funds for certain categories of Sale Expenses (such as supervision and certain signage and advertising), and the Merchant shall reimburse the Consultant therefor (in connection with each weekly reconciliation provided for in Section 4.1 hereof) upon presentation of invoices and statements for such expenses, which reimbursement shall be in addition to any Consulting Fee and/or FF&E Fee earned and payable hereunder provided that such amounts don't exceed the amounts set forth in the Budget or otherwise approved by the Merchant in accordance with this Section 3.1. The Merchant shall reimburse the Consultant weekly, in connection with each weekly settlement as provided in Section 4.1 hereof, for all Sale Expenses incurred or paid directly by the Consultant subject to and in accordance with this Section 3.1.

As a condition to Consultant's obligations under this Agreement, Merchant shall fund to Consultant a deposit of \$65,000 (the "Deposit") which shall be held by Consultant until the Final Reconciliation on account of the Consulting Fee, FF&E Fee, and Expenses not remitted to Consultant pursuant to the Weekly Reconciliation. The amount of the Deposit not used to pay amounts owed to Consultant pursuant to this Agreement shall be returned to Merchant within three days following the Final Reconciliation.

3.2 **Consulting Fee.** In consideration of the Consulting Services provided hereunder in connection with the Sale, the Merchant shall pay to the Consultant a fee of one and one-quarter percent (1.25%) of Gross Proceeds.

3.3 **Remaining Merchandise.** The Consultant shall be responsible to sell all Merchandise through retail channels only. To the extent there is remaining unsaleable inventory at the Sale Termination Date (the "Remaining Merchandise"), the Consultant shall dispose of all such merchandise prior to the Sale Termination Date. All proceeds from such disposition shall constitute Gross Proceeds hereunder.

3.4 **Fixtures Disposition.** In addition to the Consulting Services provided for herein, with respect to FF&E located at the Closing Stores, the Consultant shall sell the FF&E so designated by the Company and in accordance with the Sale Guidelines, on an "as is where is" basis in any such Closing Stores for the Merchant's benefit. The Consultant shall advertise in the context of advertising for the Sale that items of FF&E at the Closing Stores are available for sale, and shall contact and solicit known purchasers and dealers of furniture and fixtures. In consideration of providing such services, the Consultant shall retain fifteen percent 15% of the gross receipts (net only of applicable sales taxes, if any) from all sales or other dispositions of FF&E (the "**FF&E Fee**"). In addition, the Merchant shall reimburse the Consultant for the Consultant's reasonable out of pocket expenses incurred in connection

with the sale or other disposition of the FF&E which have been previously approved in writing by the Merchant (including, without limitation, costs of commissions and advertising). Any remaining FF&E at the Sale Termination Date shall be dealt with in accordance with the Sale Guidelines. The Consultant shall have no liability to the Company or any third party for its failure to sell any or all of the FF&E.

4. Sale Proceeds; Weekly Settlement

4.1 Sale Proceeds; Sale Reconciliation. All proceeds of sales of Merchandise and FF&E through the Sale shall be collected by Merchant's Closing Store management personnel and deposited into Merchant's existing Closing Store-level deposit accounts (the "Sale Accounts"). The Merchant shall, upon request, deliver to the Consultant account statements and such other information relating to the Sale Accounts reasonably requested by the Merchant. On Wednesday of each week, commencing on the second Wednesday following the Sale Commencement Date, the Consultant and the Merchant shall reconcile the results of the Sale for the prior week, including, without limitation, Gross Proceeds of Merchandise, sales of FF&E, Sale Expenses, Supervisor Costs, and any Consulting Fee (subject to clause (iii) below), and FF&E Fee earned and payable hereunder, and the Merchant shall pay to the Consultant on a weekly basis, in connection with such weekly settlement, mutually agreed (i) Sale Expenses incurred or paid by the Consultant for such prior week, (ii) Supervisor Costs and Sale Expenses for advertising and signage incurred or paid by the Consultant for such prior week of the Sale, and (iii) the Consulting Fees on account of the prior week's sales of Merchandise and FF&E, and shall within 10 business days of completion of the Final Settlement pay the Consultant any remaining unpaid Consultant Fees and FF&E Fee and/or unreimbursed Consultant Controlled Expenses incurred or paid directly by the Consultant subject to and in accordance with Section 3.1 of this Agreement.

4.2 Credit Card Proceeds. Merchant shall have control over all Closing Store Employees and shall handle the cash, debit and charge card payments for all Merchandise in accordance with Merchant's customary cash management practices and procedures, subject to Consultant's right to audit any such items. Merchant shall provide throughout the Sale Term its current credit card systems and servicing arrangements (including the Merchant's credit card terminals and processor(s), credit card processor coding and bank accounts) and other central administrative services necessary for the Sale, including without limitation customary POS administration, sales, audit, cash reconciliation, accounting, payroll processing during the course of the Sale, all borne as a Sale Expense by Merchant.

4.3 Final Settlement. As soon as possible following the conclusion of the Sale and in no event later than thirty (30) calendar days following the end of the Sale Term, the parties shall complete a Final Settlement, subject to the Trustee's approval, of all amounts contemplated by this Agreement ("Final Settlement"), including, without limitation, the determination and payment of any fees due Consultant and all reimbursements contemplated hereby.

5. Closing Store Employees

5.1 Closing Store Employees. The Consultant and the Merchant shall cooperate to retain the employees of the Merchant, as reasonably designated by the Consultant, to be utilized to conduct the Sale at the Closing Stores during the Sale Term. To the extent commercially practicable, such employees shall remain employees of the Merchant, and subject to paragraph 8.2 hereof, the Consultant shall have no liability to the Closing Store Employees (including any of the Merchant's former employees) of any kind or nature

whatsoever, including, without limitation, with respect to severance pay, termination pay, vacation pay, pay in lieu of reasonable notice of termination, or any other expenses or liability arising from the Merchant's employment of such Closing Store Employees prior to, during, and subsequent to the Sale. Consultant shall not change the terms of employment of any Closing Store Employees and Merchant shall remain the sole employer thereof.

5.2 Employee Discounts. It is understood and agreed that, during the Sale Term, all active employees of the Company shall be entitled to take advantage of such employee discounts on Merchandise as may be available to them under the Company's policy in respect of same existing as a the Sale Commencement Date (the "Employee Discounts"), but shall not be entitled to accumulate Employee Discounts and the then-prevailing Sale discounts being offered. During the Sale Term, to the extent the employee elects the Employee discount, then any differential between the Employee Discount and the then-prevailing Sale discount being offered shall constitute Gross Proceeds hereunder.

6. Representation and Warranties of Consultant

6.1 The Consultant hereby represents warrants and covenants in favour of the Company as follows:

- a) The Consultant has taken all necessary action required to authorize the execution, performance and delivery of this agreement, and to consummate the transactions contemplated hereby;
- b) This Agreement is a valid and binding obligation of the Consultant enforceable in accordance with its terms;
- c) No action or proceeding has been instituted or, to Consultant's knowledge, threatened, affecting the consummation of this Agreement or the transactions contemplated herein; and
- d) The Consultant's HST number is ●.

7. Representations and Warranties of the Merchant

7.1 The Merchant hereby represents warrants and covenants in favour of the Consultant as follows:

- a) Subject to obtaining the Approval Order, the Company will have taken all necessary actions required to authorize its execution, performance and delivery of this Agreement, and to consummate the transactions contemplated hereby;
- b) Subject to obtaining the Approval Order, this Agreement is a valid and binding obligation of the Company enforceable in accordance with its terms, subject only to any applicable bankruptcy, insolvency or similar laws affecting the rights of creditors generally and the availability of equitable remedies; and
- c) No action or proceeding has been instituted or, to the Merchant's knowledge, threatened, affecting the consummation of this Agreement or the transactions contemplated herein.
- d)

8. Affirmative Duties of Consultant

8.1 Except as may be provided otherwise in any order of the Court, the Consultant shall assist the Merchant in obtaining all required permits and governmental consents required in order to conduct the Sale, and shall ensure that the Sale is conducted in accordance with all applicable laws, regulations and ordinances, in each case.

8.2 The Consultant, on a joint and several basis, shall indemnify and hold the Merchant and its affiliates, and their respective officers, directors, employees, agents and independent contractors (collectively, "Merchant Indemnified Parties"), harmless from and against all claims, demands, penalties, losses, liability or damage, including, without limitation, reasonable legal fees on a full indemnity basis and expenses, directly or indirectly asserted against, resulting from, or related to:

- i. the Consultant's breach of or failure to comply with any of its agreements, covenants, representations or warranties contained herein or in any written agreement entered into in connection herewith;
- ii. any harassment or any other unlawful, tortious or otherwise actionable treatment of any employees or agents of the Merchant by the Consultant or any of the Consultant's officers, directors, employees, agents or representatives;
- iii. any claims by any party engaged by the Consultant as an employee or independent contractor arising out of such employment; except where due to the gross negligence or willful misconduct of the Merchant or from a breach of the terms hereof by the Merchant; and
- iv. the gross negligence or willful misconduct of the Consultant or any of its officers, directors, employees, the agents or representatives, or any Supervisor.

9. Affirmative Duties of Merchant

9.1 The Merchant shall be solely liable for, and shall pay when due, (i) all expenses (including, without limitation, Sale Expenses) which are necessary to conduct the Sale, including, without limitation, all taxes, costs, expenses, accounts payable and other liabilities relating to the Sale, the Closing Stores, Closing Store Employees and any other consultants and representatives of the Merchant, and (ii) all Supervisor Costs, Consultant's Fees and FF&E Fees payable hereunder.

9.2 The Merchant shall prepare and process all reporting forms, certificates, reports and other documentation required in connection with the payment of all applicable taxes to the appropriate taxing authorities.

9.3 Without limiting any other term or provision of this Agreement, subject to the provisions of the NOI and the Approval Order, during the Sale Term, the Merchant shall provide the Consultant, at no cost or expense to the Consultant, with (i) central administrative services necessary to administer the Sale, (ii) employees at the Closing Stores (to the extent commercially reasonably agreed upon by the Company and the Consultant necessary to effect the Sale), and (iii) peaceful use and occupancy of, and reasonable access (including reasonable before and after hours access and normal utilities/phone service) to, the Closing

Stores and the Merchant's corporate, offices for the purpose of preparing for, conducting, and completing the Sale as contemplated hereby.

9.4 Unless otherwise directed by the Company, the Consultant and the Company shall honour Gift Cards and merchandise credits at the Closing Stores, in accordance with store operation procedures to be mutually agreed upon between the Merchant and the Consultant, with the full amount of such Gift Cards and merchandise credits constituting Gross Proceeds hereunder. No Gift Cards shall be sold from the Closing Stores or otherwise during the Sale Term.

9.5 The Merchant shall collect all sales taxes and shall be solely responsible for reporting and pay the same to the appropriate taxing authorities in accordance with applicable law.

10. Insurance: Risk of Loss

10.1 The Merchant shall maintain throughout the Sale Term, (i) its existing insurance with respect to the Merchandise at the Closing Stores in amounts and on such terms and conditions as are consistent with the Merchant's ordinary course operations and (ii) casualty and liability insurance policies (including, but not limited to, product liability, comprehensive public liability insurance and auto liability insurance) covering injuries to persons and property in or in connection with the operation of the Closing Stores.

10.2 The Consultant shall maintain throughout the Sale Term, liability insurance policies (including, but not limited to, comprehensive public liability and auto liability insurance) covering injuries to persons and property in or in connection with the Consultant's provision of Consulting Services at the Closing Stores.

10.3 Subject to section 8.2, but notwithstanding any other provision of this Agreement, the Merchant and the Consultant agree that the Merchant shall bear all responsibility for liability claims (product liability and otherwise) of customers, employees and other persons arising from events occurring at the Closing Stores before, during and after the Sale Term, except to the extent any such claim arises from the negligence, willful misconduct, or unlawful acts of the Consultant.

10.4 Subject to section 8.2, but notwithstanding any other provision of this Agreement, the Merchant and the Consultant agree that (i) the Consultant shall not be deemed to be in possession or control of the Closing Stores or the Merchandise or other assets located therein or associated therewith, or of the Merchant's employees located at the Closing Stores, and (ii) the Consultant does not assume any of the Merchant's obligations or liabilities with respect to any of the matters addressed in clause (i) above, except to the extent any such claim arises from the negligence, willful misconduct or unlawful acts of the Consultant.

11. Miscellaneous

11.1 Any notice or other communication under this Agreement shall be in writing and may be delivered personally or sent by facsimile or by prepaid registered or certified mail, by facsimile, email or courier delivery as follows:

i. In the case of the Consultant:

SB360 Capital Partners LLC.
1010 Northern Boulevard
Suite 340
Great Neck, NY
11021

Attn: Ziggy Schaffer
Aaron Miller
Email: Zschaffer@sbcapitalgroup.com
Amiller@360merchants.com

with a copy to: Miller Thomson LLP

Attn.: Ken Rosenstein
Email: krosenstein@millerthomson.com

ii. In the case of the Merchant:

Nine West Canada LP
1446 Don Mills Road
Toronto, ON M3B 3N6

Attn.: Ralph Schipani
Email: rschipani@ninewestholdings.com

with a copy to Stikeman Elliott LLP:

5300 Commerce Court West
199 Bay Street
Toronto, ON M5L 1B9

Attn.: Elizabeth Pillon
Email: lpillon@stikeman.com

with a copy to Richter Advisory Group Inc.:

Brookfield Place
181 Bay Street, Suite 3320
Toronto, ON M5J 2T3

Attn.: Gilles Benchaya/Adam Sherman
Email: gbenchaya@richterconsulting.com / asherman@richter.ca

with a copy to Aird & Berlis LLP:

Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Attn.: Steven Graff
Email: sgraff@airdberlis.com

11.2 Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein, without reference to any conflict of law provisions. The parties hereto agree that the Court shall retain exclusive jurisdiction to hear and finally determine any disputes arising from or under this Agreement, and by execution of this Agreement each party hereby irrevocably accepts and submits to the jurisdiction of such Court with respect to any such action or proceeding and to service of process by certified mail, return receipt requested to the address listed above for each party.

11.3 Severability. In the event any term or provision contained within this Agreement shall be deemed illegal or unenforceable, then such offending term or provision shall be considered deleted from this Agreement and the remaining terms shall continue to be in full force and effect.

11.4 No Waiver. No consent or waiver by any party, express or implied, to or of any breach or default by the other in the performance of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such other party of the same or any other obligation of such party. Failure on the part of any party to complain of any act or failure to act by the other party or to declare the other party in default, irrespective of how long such failure continues, shall not constitute a waiver by such party of its rights hereunder.

11.5 Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect of the subject matter hereof and supersedes all prior negotiations and understandings, and can only be modified by a writing signed by the Merchant and the Consultant.

11.6 Assignment. The parties hereto shall not assign this Agreement without the express written consent of the other. This Agreement shall inure to the benefit of, and be binding upon, the parties and their respective successors and permitted assigns.

11.7 Counterparts. This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts, together, shall constitute one and the same instrument. Delivery by facsimile or other electronic transmission including email of this Agreement or an executed counterpart hereof shall be deemed a good and valid execution and delivery hereof or thereof.

11.8 Independent Contractor. Nothing contained herein shall be deemed to create any relationship between the Consultant and the Company other than that of an independent contractor.

11.9 Survival. All representations, warranties, covenants, agreements and indemnities made herein, by the parties hereto, shall be continuing, shall be considered to have been relied upon by the parties and shall survive the execution, delivery and performance of this Agreement.

11.10 Choice of Language. The parties have specifically required that this Agreement and all related documents be drafted and executed in English. *Les parties aux présentes ont formellement demandé à ce que la présente convention et tous les documents auxquels celle-ci réfère soient rédigés et signés en langue anglaise.*

11.11 Further Assurances. The parties hereto shall each execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, at the cost and expense of the requesting party, such instruments and take such other actions as may be necessary or advisable to carry out their obligations under this Agreement, or any document, certificate or other instrument delivered pursuant hereto or thereto or required by applicable law.

11.12 Termination. This Agreement shall terminate upon the completion and approval of the Final Settlement (as provided in Section 4.1 above); provided, however, that either party may terminate this Agreement in the event that the other commits a material breach of its obligations hereunder. If either party seeks to terminate this Agreement by reason of a claim of a material breach, such party shall provide the other party with not less than five (5) days' prior written notice stating with specificity the nature of the claimed material breach, and the party receiving such notice shall have three (3) business days in which to cure such material breach, failing which this Agreement shall be deemed terminated. In the event this Agreement is terminated, the Consultant shall be entitled to be paid any Consulting Fee and FF&E Fee earned and accrued through the date of termination.

[Signatures Appear Next Page]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement or caused this Agreement to be executed by their respective officers thereunto duly authorized as of the date first written above.

SB360 Capital Partners LLC
As Consultant

By: _____
Name: Aaron Miller
Its: Principal

**NINE WEST CANADA LP by its
general partner JONES CANADA
INC., as Merchant**

By: _____
Name:
Its:

Acknowledged by:
**RICHTER ADVISORY GROUP
INC.**, in its capacity as Proposal
Trustee of Nine West Canada LP,
and not in its personal or corporate
capacity

By: _____
Per:
Its:

Exhibit A
Closing Stores

Store Count	Store #	Center	Address	Prov	Landlord	Banner
1	1101	Cross Iron	261055 CROSS IRON BLVD. ROCKY VIEW	AB	Ivanhoe Cambridge	Shoe Studio
2	1103	Mega Ctre	2464 AUTORTE. CHOMEDEY. LAVAL, QC	QC	RioCan Holdings	Shoe Studio
3	1104	Vaughan Mills	1 BASS PRO MILLS DR. VAUGHAN, ON	ON	Ivanhoe Cambridge	Shoe Studio
4	1105	Heartland	6045 MAVIS RD. MISSISSAUGA, ON	ON	Orlando	Shoe Studio
5	1106	Cookstown	3311 SIMCOE 89. COOKSTOWN, ON	ON	Tanger	Shoe Studio
6	1107	Windsor Crossing	1555 TALBOT RD. WINDSOR, ON	ON	Royal Courtyards	Shoe Studio
7	1109	Don Mills	3 KARL FRASER RD. TORONTO, ON	ON	Cadillac Fairview	Shoe Studio
8	1110	Toronto Premium Outlet	13850 STEELES AVE W. HALTON HILLS, ON	ON	Simon	Shoe Studio
9	1112	Niagara-on-the-Lake	300 TAYLOR RD. NOTL, ON	ON	Ivanhoe Cambridge	Shoe Studio
10	1113	Ottawa	8555 CAMPEAU DR, #830, KANATA, ON	ON	Tanger	Shoe Studio
11	1114	Montreal	9001 CHEM. NOTRE-DAME, MIRABEL, QC	ON	Simon	Shoe Studio
12	1115	Mic Mac	21 MICMAC BLVD, DARTMOUTH, NS	NS	Ivanhoe Cambridge	Shoe Studio
13	1116	Tsawwassen	4799 NU LELUM WAY, TSAWWASSEN, BC	BC	Ivanhoe Cambridge	Shoe Studio
14	1117	WINNIPEG OUTLET	555 STERLING LYON PKWY, WINNIPEG, MB	MB	Ivanhoe Cambridge	Shoe Studio
15	2105	Orfus 2	35 ORFUS ROAD UNIT B1, TORONTO, ON	ON	RHYL Realty	Outlet
16	3101	Square One	100 CITY CENTRE DR, MISSISSAGA, ON	ON	Oxford	Nine West
17	3103	Yorkdale	3401 DUFFERIN ST. TORONTO, ON	ON	Oxford	Nine West
18	3104	Richmond Ctre	6551 NO 3 RD. RICHMOND, BC	BC	Cadillac Fairview	Nine West
19	3105	Metrotown	4700 KINGSWAY, BURNABY, BC	BC	Ivanhoe Cambridge	Nine West
20	3106	Sherway Gardens	25 THE WEST MALL, ETOBICOKE, ON	ON	Cadillac Fairview	Nine West
21	3107	Eaton Ctre	220 YONGE ST. TORONTO, ON	ON	Cadillac Fairview	Nine West
22	3108	Pacific Ctre	700 W GEORGIA ST. VANCOUVER, BC	BC	Cadillac Fairview	Nine West
23	3109	Bayview	2901 BAYVIEW AVE. NORTH YORK, ON	ON	Bentall Kennedy	Nine West
24	3112	Calgary Eaton Ctre	751 3 ST. SW. CALGARY, AB	AB	Ivanhoe Cambridge	Nine West
25	3113	Fairview-Pte Claire	6801 TRANS-CANADA HWY, PC, QC	QC	Cadillac Fairview	Nine West
26	3114	First Cdn Place	130 KING ST W. TORONTO, ON	ON	Brookfield Place	Nine West
27	3115	Oakville Place	240 LEIGHLAND AVE. OAKVILLE, ON	ON	RioCan Holdings	Nine West
28	3117	Market Mall	3625 SHAGANAPPI TR. CALGARY, AB	AB	Cadillac Fairview	Nine West
29	3119	Promenade	1 PROMENADE CIRC. THORNHILL, ON	ON	Cadillac Fairview	Nine West
30	3120	Fairview	1800 SHEPPARD AVE E. TORONTO, ON	ON	Cadillac Fairview	Nine West
31	3133	Scarborough Town	300 BOROUGH DR. SCARBOROUGH, ON	ON	Oxford	Nine West
32	3136	Masonville	1680 RICHMOND ST N. LONDON, ON	ON	Cadillac Fairview	Nine West
33	3137	Chinook	6455 MACLEOD TRAIL SW. CALGARY, AB	AB	Cadillac Fairview	Nine West
34	3138	Mapleview	9000 MAPLE AVE. BURLINGTON, ON	ON	Ivanhoe Cambridge	Nine West
35	3139	Polo Park	1485 PORTAGE AVE. WINNIPEG, MB	MB	Cadillac Fairview	Nine West

Exhibit B
Budget



Nine West Canada LP
Monday, April 2, 2018
Expense Budget

Exhibit B-Expense Budget

of Stores 34
Sale Start Date Saturday, April 14, 2018
Sale End Date Saturday, June 30, 2018
of Weeks 11.1
of Days 76.0

Inventory Supervision	# of Supervisors	Weeks	Weekly Base Fee	Total Base Fee	Total Deferred Compensation	Total Travel	Total Supervision Expense
Store Supervisor	4	11.1	\$ 3,731	\$ 166,297	\$ 83,148.46	\$ 31,886	\$ 281,331
Lead Supervisor	1	12.1	\$ 4,320	\$ 52,459	\$ 28,229.35	\$ 7,271	\$ 85,959
Finance & Administration (Note 1)	1	12.1	\$ 2,095	\$ 25,435	\$ 12,717.26	\$ 2,200	\$ 40,352
Total Inventory Supervision	6			\$ 244,191	\$ 122,095	\$ 41,357	\$ 497,642

Advertising	\$ / Store	Ad Program
Sign Package		
TIB / Store Closing signs, banners, and shipping	\$ 1,537	\$ 68,402
Total Advertising Expenses		\$ 68,402

Legal and Corporate Travel	
Legal & Corporate Travel	\$ 15,000
Total Legal & Corporate Travel	\$ 15,000
Grand Total Expense Budget	\$ 491,044

Notes:

1. F&A is reflected as 50% and the respective share of the Merchant.

Fee Structure	SB360 Fee	Deferred Compensation %	Deferred Compensation \$
SB360 Base Fee	1.25%	50.00%	\$ 122,095
Payroll Budget			
		\$	
Total Store Employee Base Payroll (Excludes taxes and benefits)		\$1,060,461	
Employee Incentive Bonus (up to)		\$150,000	
Total Store Payroll Budget (Excluding taxes and benefits)		\$1,210,461	

Notes:

1. Store Employee base payroll only includes base payroll and does not account for any commissions accrued and/or paid during the sale term.
2. The above total employee payroll is only for store locations (not e-commerce) and excludes taxes and benefits.
3. The above employee incentive bonus is separate from any other bonus offered by Nine West.

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF JONES CANADA,
INC. AND NINE WEST CANADA LP

Estate/Court File No. 31-2363758

Estate/Court File No. 31-2363759

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto

AFFIDAVIT OF RALPH SCHIPANI
(SWORN APRIL 6, 2018)

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Elizabeth Pillon LSUC#: 35638M
Tel: (416) 869-5623
Email: lpillon@stikeman.com

Maria Konyukhova LSUC #:52880V
Tel: (416) 869-5230
Email: mkonyukhova@stikeman.com

Sanja Sopic LSUC#: 66487P
Tel: (416) 869-6825
Email: ssopic@stikeman.com
Fax: (416) 947-0866

Lawyers for the Applicants

TAB 4

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE) WEDNESDAY, THE 11TH
)
JUSTICE) DAY OF APRIL, 2018
)

Estate/Court File No. 31-2363758

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
JONES CANADA, INC., A CORPORATION WITH A HEAD OFFICE IN THE CITY OF
TORONTO IN THE PROVINCE OF ONTARIO

Applicant

Estate/Court File No. 31-2363759

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF NINE
WEST CANADA LP, A PARTNERSHIP WITH A HEAD OFFICE IN THE CITY OF
TORONTO IN THE PROVINCE OF ONTARIO

Applicant

LIQUIDATION PROCESS ORDER

THIS MOTION made by Jones Canada, Inc. and Nine West Canada LP ("**NW Canada**") and, together with Jones Canada, Inc., the "**Applicants**") pursuant to the *Bankruptcy and Insolvency Act* R.S.C. 1985, c. B-3 (the "**BIA**") for an order, among other things, approving the consulting agreement entered into between NW Canada and SB360 Capital Partners LLC (the "**Consultant**") made as of April 6, 2018 (the "**Consulting Agreement**") and the transactions contemplated thereby, and certain related relief was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion of the Applicants, the affidavit of Ralph Schipani sworn April 6, 2018 and exhibits thereto (the "**Affidavit**"), the First Report (the "**First Report**") of Richter Advisory Group Inc. in its capacity as proposal trustee of the Applicants (in such capacity, the "**Trustee**"), filed, and on hearing the submissions of respective counsel for the Applicants, the Trustee, the Consultant, and such other counsel as were present, no one else appearing although duly served as appears from the Affidavit of

Service of ●, 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.

2. **THIS COURT ORDERS** that capitalized terms used and not defined herein have the same meaning ascribed to them in the Consulting Agreement.

APPROVAL OF THE CONSULTING AGREEMENT

3. **THIS COURT ORDERS** that the Consulting Agreement, including the Sale Guidelines attached hereto as Schedule "A" (the "**Sale Guidelines**"), and the transactions contemplated under the Consulting Agreement, including the Sale Guidelines, are hereby approved with such minor amendments as NW Canada, with the consent of the Trustee, and the Consultant may deem necessary and agree to in writing. Subject to the provisions of this Order, NW Canada, the Consultant and the Trustee are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable to implement the Consulting Agreement and the Sale Guidelines and each of the transactions contemplated therein.

THE SALE

4. **THIS COURT ORDERS** that NW Canada, with the assistance of the Consultant, is authorized and directed to conduct the Sale in accordance with this Order, the Consulting Agreement and the Sale Guidelines and to advertise and promote the Sale within the Closing Stores, all in accordance with the Consulting Agreement and the Sale Guidelines. If there is a conflict between this Order, the Consulting Agreement and the Sale Guidelines, the order of priority of documents to resolve each conflict is as follows: (1) this Order; (2) the Sale Guidelines; and (3) the Consulting Agreement.

5. **THIS COURT ORDERS** that NW Canada, with the assistance of the Consultant, is authorized to market and sell the Merchandise and the FF&E, free and clear of all liens,

claims, encumbrances, security interests, mortgages, charges, trusts, deemed trusts, executions, levies, financial, monetary or other claims, whether or not such claims have attached or been perfected, registered 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 arise or come into existence following the date of this Order (in each case, whether contractual, statutory, arising by operation of law, in equity or otherwise) (all of the foregoing, collectively "Claims"), including, without limiting the generality of the foregoing: (a) any encumbrances or charges created by this Order and any other charges hereinafter granted by this Court in these proceedings; and (b) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system (all of which are collectively referred to as the "Encumbrances"), which Claims will attach instead to the proceeds received from the Merchandise and the FF&E, other than amounts due and payable to the Consultant by NW Canada under the Consulting Agreement, in the same order and priority as the Claims existed immediately prior to the Sale of the specific Merchandise or FF&E, as applicable.

6. **THIS COURT ORDERS** that, subject to the terms of this Order, the Consulting Agreement and the Sale Guidelines, the Consultant shall have the right to use the Closing Stores and all related store services, furniture, trade fixtures and equipment, including the FF&E, located at the Closing Stores, and other assets of NW Canada 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 Applicants' stay of proceedings provided under section 69 or section 69.1 of the BIA, as applicable.

7. **THIS COURT ORDERS** that until July 30, 2018 or such earlier date as a lease is disclaimed in accordance with the BIA, the Consultant shall have access to the Closing Stores in accordance with the applicable leases and the Sale Guidelines on the basis that the Consultant is assisting the Applicants and the Applicants have granted the right of access to the applicable Closing Store to the Consultant. To the extent that the terms of the applicable leases are in conflict with any term of this Order or the Sale Guidelines, the terms of this Order and the Sale Guidelines shall govern.

8. **THIS COURT ORDERS** that nothing in this Order shall amend or vary, or be deemed to amend or vary, the terms of the leases for the Closing Stores. Nothing contained in this Order or the Sale Guidelines shall be construed to create or impose upon NW Canada or the Consultant any additional restrictions not contained in the applicable lease.

9. **THIS COURT ORDERS** that until the Sale Termination Date, the Consultant shall have the right to use, without interference by any intellectual property licensor, the Applicants' trademarks, trade names and logos, customer/marketing lists, website and social media accounts as well as all licenses and rights granted to the Applicants 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 in accordance with the terms of the Consulting Agreement, the Sale Guidelines and this Order, provided that the Consultant provides NW Canada with a copy of any proposed advertising five days prior to its use in the Sale.

CONSULTANT LIABILITY

10. **THIS COURT ORDERS** that the Consultant shall act solely as an independent consultant to NW Canada and that it shall not be liable for any claims against NW Canada other than as expressly provided in the Consulting Agreement or the Sale Guidelines. More specifically:

- (a) The Consultant shall not be deemed to be an owner or in possession, care, control or management of the Closing Stores or the assets located therein or associated therewith or of NW Canada's employees located at the Closing Stores;
- (b) The Consultant shall not be deemed to be an employer, or a joint or successor employer or a related or common employer or payor within the meaning of any legislation governing employment or labour standards or pension benefits or health and safety or other statute, regulation or rule of law or equity for any purpose whatsoever, and shall not incur any successorship liabilities whatsoever; and

- (c) NW Canada 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 and closings occurring at the Stores during and after the term of the Consulting Agreement, except in accordance with the Consulting Agreement.

CONSULTANT AS UNAFFECTED CREDITOR

11. **THIS COURT ORDERS** that, in accordance with section 69.4 of the BIA, and subject only to paragraph 6 of this Order, the Consultant shall not be affected by the stay of proceedings in respect of NW Canada and shall be entitled to exercise its remedies under the Consulting Agreement in respect of claims of the Consultant pursuant to the Consulting Agreement (collectively, the "**Consultant's Claims**"), the Consultant shall be treated as an unaffected creditor in the context of the present proceedings and in any proposal.

12. **THIS COURT ORDERS** that notwithstanding the terms of any order issued by this Court in the context of the present proceedings or the terms of the BIA, NW Canada shall not be entitled to disclaim or resiliate the Consulting Agreement or any of the agreements, contracts or arrangements in relation thereto entered into with the Consultant.

13. **THIS COURT ORDERS** that NW Canada is hereby authorized to remit, in accordance with the Consulting Agreement, all amounts that become due to the Consultant thereunder.

14. **THIS COURT ORDERS** that no Claims shall attach to any amounts payable by NW Canada to the Consultant pursuant to the Consulting Agreement, including any amounts that must be reimbursed by NW Canada to the Consultant, and NW Canada shall pay any such amounts to the Consultant free and clear of all Claims, notwithstanding any enforcement or other process, all in accordance with the Consulting Agreement.

15. **THIS COURT ORDERS** that notwithstanding (a) the pendency of these proceedings; (b) any application for a bankruptcy order now or hereafter issued pursuant to the BIA in respect of Applicants or any bankruptcy order made pursuant to any such applications; (c) any

assignment in bankruptcy made in respect of the Applicants; (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 encumbrances, contained in any existing loan documents, lease, mortgage, security agreement, debenture, sublease, offer to lease or other document or agreement (collectively, the “**Agreement**”) which binds the Applicants, the Consulting Agreement and the transactions and actions provided for and contemplated therein (including the Sale Guidelines), including, without limitation, the payment of amounts due to the Consultant shall be binding on any trustee in bankruptcy that may be appointed in respect to the Applicants and shall not be void or voidable by any Person (as defined in the BIA), including any creditor of Applicants, nor shall they, or any of them, constitute or be deemed to be a preference, fraudulent conveyance, transfer at undervalue or other challengeable reviewable transaction, under the BIA or any applicable law, nor shall they constitute oppressive or unfairly prejudicial conduct under any applicable law.

GENERAL

16. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

17. **THIS COURT HEREBY REQUESTS** the aid and recognition of any Court, tribunal, regulatory or administrative bodies, having jurisdiction in Canada or in the United States of America, to give effects to this Order and to assist NW Canada, 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 NW Canada and to the 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 Trustee in any foreign proceeding, or to assist NW Canada and the Trustee and their respective agents in carrying out the terms of this Order.

18. **THIS COURT ORDERS** that any interested party (including NW Canada and the Trustee) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

SCHEDULE A

SALE GUIDELINES

The following procedures shall apply to the Sale to be conducted at the Closing Stores of Nine West Canada LP (the “**Merchant**”). All terms not herein defined shall have the meaning set forth in the Consulting Agreement by and between SB360 Capital Partners, LLC (the “**Consultant**”) and the Merchant dated as of April ●, 2018 (the “**Consulting Agreement**”).

1. Except as otherwise expressly set out herein, and subject to: (i) the Approval Order or any further Order of the Ontario Superior Court of Justice (Commercial List) b(the “Court”); or (ii) any subsequent written agreement between the Merchant and the applicable landlord(s) (individually, a “Landlord” and, collectively, the “Landlords”) and approved by the Consultant, or (iii) as otherwise set forth herein, the Sale shall be conducted in accordance with the terms of the applicable leases/or other occupancy agreements to which the affected Landlords are privy for each of the affected Closing Stores (individually, a “Lease” and, collectively, the “Leases”). However, nothing contained herein shall be construed to create or impose upon the Merchant 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 Closing Stores remains open during its normal hours of operation provided for in its respective Lease until the respective Sale Termination Date for such Closing Store. The Sale at the Closing Stores shall end by no later than the Sale Termination Date. Rent payable under the respective Leases shall be paid in accordance with the terms of the Approval Order.
3. The Sale shall be conducted in accordance with applicable federal, provincial and municipal laws and regulations, 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 Closing Stores as an “everything on sale”, an “everything must go”, a “store closing” or similar theme sale at the Closing Stores (provided however that no signs shall advertise the Sale as a “bankruptcy”, a “going out of business” or a “liquidation” sale it being understood that the French equivalent of “clearance” is “liquidation” and is permitted to be used). Forthwith upon request from a Landlord, the Landlord's counsel, the Merchant or the Monitor, the Consultant shall provide the proposed signage packages along with the proposed dimensions and number of signs (as approved by the Merchant pursuant to the Consulting Agreement) by e-mail or facsimile to the applicable Landlords or to their counsel of record. Where the provisions of the Lease conflict with these Sale Guidelines, these Sale Guidelines shall govern. The Consultant shall not use neon or day-glow or handwritten signage (unless otherwise contained in the sign package, including “you pay” or “topper” signs). In addition, the Consultant shall be permitted to utilize exterior banners/signs at stand alone or strip mall Closing Stores or enclosed mall Closing Stores with a separate entrance from the exterior of the enclosed mall, provided, however, that

where such banners are not permitted by the applicable Lease and the Landlord requests in writing that the 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 in the NOI proceedings (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 Closing Store and shall not be wider than the premises occupied by the affected Closing Store. All exterior banners shall be professionally hung and to the extent that there is any damage to the façade of the premises of a Closing Store as a result of the hanging or removal of the exterior banner, such damage shall be professionally repaired at the expense of the Consultant. If a Landlord is concerned with "store closing" signs being placed in the front window of a Closing Store or with the number or size of the signs in the front window, the Consultant and the Landlord will discuss the Landlord's concerns and work to resolve the dispute.

5. The Consultant shall be permitted to utilize sign walkers and street signage; provided, however, such sign walkers and street signage shall not be located on the shopping centre or mall premises.
6. The Consultant shall not make any alterations to interior or exterior Closing Store lighting, except as authorized pursuant to the applicable Lease. The hanging of exterior banners or other signage, where permitted in accordance with the terms of these guidelines, shall not constitute an alteration to a Closing Store.
7. Conspicuous signs shall be posted in the cash register areas of each Closing Store to the effect that all sales are "final".
8. The Consultant shall not distribute handbills, leaflets or other written materials to customers outside of any of the Closing Stores on any Landlord's property, unless permitted by the applicable Lease or, if distribution is customary in the shopping centre in which the Closing Store is located. Otherwise, the Consultant may solicit customers in the Closing Stores themselves. The Consultant shall not use any giant balloons, flashing lights or amplified sound to advertise the Sale or solicit customers, except as permitted under the applicable Lease, or agreed to by the Landlord.
9. At the conclusion of the Sale in each Closing Store, the Merchant shall arrange that the premises for each Closing Store are in "broom-swept" and clean condition, and shall arrange that the Closing 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 Closing Store shall be removed or sold during the Sale. No permanent fixtures (other than FF&E which for clarity is owned by the Merchant) may be removed without the applicable Landlord's written consent unless otherwise provided by the applicable Lease. Any fixtures or personal property left in a Closing Store after the Sale Termination Date in respect of which the applicable Lease has been disclaimed by the Merchant 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.

10. Subject to the terms of paragraph 9 above, the Consultant may sell FF&E which is located in the Closing Stores during the Sale. The Merchant and the Consultant may advertise the sale of FF&E consistent with these guidelines on the understanding that any applicable Landlord may require that such signs be placed in discreet locations acceptable to the applicable Landlord, acting reasonably. Additionally, the purchasers of any FF&E sold during the Sale shall only be permitted to remove the FF&E either through the back shipping areas designated by the applicable Landlord, or through other areas after regular store business hours, or through the front door of the Closing Store during store business hours if the FF&E can fit in a shopping bag, with applicable Landlord's supervision as required by the applicable Landlord. The Consultant shall repair any damage to the Closing Stores resulting from the removal of any FF&E by Consultant or by third party purchasers of FF&E from Consultant.
11. The Merchant hereby provides notice to the Landlords of the Merchant and the Consultant's intention to sell and remove FF&E from the Closing Stores. The Consultant will arrange with each Landlord represented by counsel on the Service List and with any other applicable Landlord that so requests, a walk through with the Consultant to identify the FF&E subject to the sale. The relevant Landlord shall be entitled to have a representative present in the Closing Store to observe such removal. If the Landlord disputes the Consultant's entitlement to sell or remove any FF&E under the provisions of the Lease, such FF&E shall remain on the premises and shall be dealt with as agreed between the Merchant, the Consultant and such Landlord, or by further Order of the Court upon application by the Merchant on at least two (2) days' notice to such Landlord. If the Merchant has disclaimed or resiliated the Lease governing such Closing 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 the Merchant's or Consultant's claim to the FF&E in dispute.
12. If a notice of disclaimer or resiliation is delivered pursuant to the BIA to a Landlord while the Sale is ongoing and the Closing 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 applicable Landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Merchant and the Consultant 24 hours' prior written notice; and (b) at the effective time of the disclaimer or resiliation, the relevant Landlord shall be entitled to take possession of any such Closing Store without waiver of or prejudice to any claims or rights such Landlord may have against the Merchant in respect of such Lease or Closing Store, provided that nothing herein shall relieve such Landlord of its obligation to mitigate any damages claimed in connection therewith.
13. The Consultant and its agents and representatives shall have the same access rights to the Closing Stores as the Merchant under the terms of the applicable Lease, and the applicable Landlords shall have the rights of access to the Closing Stores during the Sale provided for in the applicable Lease (subject, for greater certainty, to any applicable stay of proceedings).

14. The Merchant and the Consultant shall not conduct any auctions of Merchandise or FF&E at any of the Closing Stores.
15. The Consultant shall designate a party to be contacted by the Landlords should a dispute arise concerning the conduct of the Sale. The initial contact person for Consultant shall be Aaron Miller who may be reached by phone at 781-439-5119 or email at amiller@360merchants.com. If the parties are unable to resolve the dispute between themselves, the Landlord or Merchant 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 the determination of the matter by the Court; provided, however, that if a banner has been hung in accordance with these Sale Guidelines and is thereafter the subject of a dispute, the Consultant shall not be required to take any such banner down pending determination of the dispute.
16. Nothing herein is, or shall be deemed to be a consent by any Landlord to the sale, assignment or transfer of any Lease, or to grant to the Landlord any greater rights than already exist under the terms of any applicable Lease.
17. These Sale Guidelines may be amended by written agreement between the Merchant, the Consultant and any applicable Landlord (provided that such amended Sale Guidelines shall not affect or bind any other Landlord not privy thereto without further Order of the Court approving the amended Sale Guidelines).

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto

LIQUIDATION PROCESS ORDER

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Lawyers for the Applicants

TAB 5

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE
JUSTICE

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)
)

WEDNESDAY, THE 11TH
DAY OF APRIL, 2018

Estate/Court File No.31-2363758

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF JONES
CANADA, INC., A CORPORATION WITH A HEAD OFFICE IN THE CITY OF TORONTO
IN THE PROVINCE OF ONTARIO**

Applicant

Estate/Court File No.31-2363759

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF NINE
WEST CANADA LP, A PARTNERSHIP WITH A HEAD OFFICE IN THE CITY OF
TORONTO IN THE PROVINCE OF ONTARIO**

Applicant

ADMINISTRATION ORDER

THIS MOTION made by Jones Canada, Inc. ("**Jones Canada**") and Nine West Canada LP ("**NW Canada**" and, together with Jones Canada, the "**Applicants**") pursuant to the *Bankruptcy and Insolvency Act* R.S.C. 1985, c. B-3 (the "**BIA**") for an order, among other things, extending the time for filing a proposal (the "**Proposal Period**") pursuant to s. 50.4(9) of the BIA, approving the substantive consolidation of the Applicants' proposal proceedings and certain related relief was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion of the Applicants, the affidavit of Ralph Schipani sworn April 6, 2018 and exhibits thereto (the "**Schipani Affidavit**"), the First Report (the "**First Report**") of Richter Advisory Group Inc. ("**Richter**") in its capacity as proposal trustee of the Applicants (in such capacity, the "**Proposal Trustee**"), and the confidential appendices thereto, filed, and on hearing the submissions of respective counsel for the Applicants, the Proposal Trustee, and such other counsel as were present, no one else appearing although duly

served as appears from the Affidavit of Service of Sanja Sopic, filed;

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion, the Motion Record and the First Report is hereby abridged and validated so that this motion is properly returnable today and that service, including the form, manner and time that such service was actually effected on all parties, is hereby validated, and where such service was not effected such service is hereby dispensed with.

SUBSTANTIVE CONSOLIDATION

2. **THIS COURT ORDERS** that the proposal proceedings of Jones Canada (Estate Number 31-2363758) and NW Canada (Estate Number 31-2363759) (collectively, the “**Proposal Proceedings**”) are hereby administratively and substantively consolidated and the Proposal Proceedings are hereby authorized and directed to continue under the following joint title of proceedings, *nunc pro tunc*:

Estate/Court File No. 31-2363758

Estate/Court File No. 31-2363759

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF JONES CANADA, INC., A CORPORATION WITH A HEAD OFFICE IN THE CITY OF TORONTO IN THE PROVINCE OF ONTARIO, AND NINE WEST CANADA LP, A PARTNERSHIP WITH A HEAD OFFICE IN THE CITY OF TORONTO IN THE PROVINCE OF ONTARIO

3. **THIS COURT ORDERS** that all further materials in the Proposal Proceedings shall be filed with the Court only in the NW Canada Estate and Court file, being Estate / Court File No. 31-2363759.

4. **THIS COURT ORDERS** that Richter, in its capacity as the Proposal Trustee of the consolidated Proposal Proceedings may administer the Proposal Proceedings on a consolidated basis, as follows:

- (a) the Proposal Trustee is authorized to administer the Proposal Proceedings as if they were a single proposal proceeding for the purpose of carrying out its administrative duties and responsibilities as proposal trustee under the BIA with

respect to the administration of proposal proceedings generally, including without limitation:

- i. the Proposal Trustee is authorized to issue consolidated reports in respect of the Proposal Proceedings; and
 - ii. the Proposal Trustee is authorized to perform a consolidated making, filing, advertising and distribution of all filings and notices in the Proposal Proceedings required under the BIA;
- (b) the Proposal Trustee is authorized to combine the pool of assets and liabilities of the Proposal Proceedings into one;
- (c) the Proposal Trustee is authorized to file a joint proposal for Jones Canada and NW Canada and convene a single meeting of the creditors of Jones Canada and NW Canada for the purpose of voting on the proposal; and
- (d) the Proposal Trustee is authorized to pay its reasonable fees out of the combined pool of assets of the Proposal Proceedings.

CASH MANAGEMENT

5. **THIS COURT ORDERS** that the Applicants shall be entitled to continue to utilize the cash management system currently in place as described in the Schipani Affidavit or replace it with another substantially similar central cash management system (the “**Cash Management System**”) provided that any cash currently in NW Canada’s Canadian or U.S. dollar accounts and any amounts received into those accounts following the date of this Order shall not be directed to the NW U.S. Entities (as defined and described in the Schipani Affidavit) without the prior approval of the Proposal Trustee.

APPROVAL OF THE D&O CHARGE

6. **THIS COURT ORDERS** that the Applicants shall indemnify their current and future directors and officers (the “**Directors and Officers**”) against obligations and liabilities that they may incur as directors or officers of the Applicants after the commencement of the within

proceedings, including, without limitation, in respect of any failure to pay wages and source deductions and vacation pay, except to the extent that, with respect to any director or officer, the obligation or liability was incurred as a result of the director's or officer's gross negligence or willful misconduct.

7. **THIS COURT ORDERS** that the Directors and Officers shall be entitled to the benefit of and are hereby granted a charge (the "**D&O Charge**") on all assets, rights, undertakings and properties of the Applicants, of every nature and kind whatsoever, and wherever situated including all proceeds thereof (the "**Property**"), which charge shall not exceed an aggregate amount of \$700,000, as security for the indemnity provided in paragraph 6 of this Order. The D& O Charge shall have the priority set out in paragraphs 13 and 14 herein.

8. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the D&O Charge, and (b) the Directors and Officers shall only be entitled to the benefit of the D&O Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 6 of this Order.

APPROVAL OF THE KERA AND KERA CHARGE

9. **THIS COURT ORDERS** that the KERA attached as Confidential Appendix "**●**" to the First Report is hereby approved and the Applicants are authorized and directed to make the payments contemplated thereunder in accordance with the terms and conditions of the KERA.

10. **THIS COURT ORDERS** that the employees who are the beneficiaries of the KERA (the "**KERA Beneficiaries**") shall be entitled to the benefit of and are hereby granted a charge (the "**KERA Charge**") on the Property as security of all amounts now or hereafter owing under the KERA to the KERA Beneficiaries, before and after the making of this Order. The KERA Charge shall have the priority set out in paragraphs 13 and 14 herein.

APPROVAL OF THE ADMINISTRATION CHARGE

11. **THIS COURT ORDERS** that the Proposal Trustee, Aird & Berlis LLP as counsel for the Proposal Trustee (the "**Proposal Trustee's Counsel**") and Stikeman Elliott LLP as counsel to the Applicants in connection with these proceedings (the "**Company's Counsel**") shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Proposal Trustee, the Proposal Trustee's Counsel and the Company's Counsel (for work performed in connection with these BIA proceedings) on a weekly basis.

12. **THIS COURT ORDERS** that the Proposal Trustee, the Proposal Trustee's Counsel and the Company's Counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which Administration Charge shall not exceed an aggregate amount of \$750,000, as security for their professional fees and disbursements incurred at their standard rates and charges, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 13 and 14 herein.

PRIORITY OF CHARGES

13. **THIS COURT ORDERS** that the priorities of the D&O Charge, the KERA Charge and the Administration Charge (together, the "**Charges**"), as among them, be as follows:

First - the Administration Charge (to the maximum amount of \$750,000);

Second - the D&O Charge (to the maximum amount of \$700,000); and

Third - the KERA Charge.

14. **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts (including constructive trusts), liens, charges and encumbrances, claims of secured creditors, statutory or

otherwise (collectively, the “**Encumbrances**”) in favour of any individual, firm, corporation, governmental body or agency or any other entity (each of the foregoing being a “**Person**”), other than any secured creditors who have not been served with the Applicants’ Motion Record dated April 6, 2018, perfected purchase money security interest under the Ontario Personal Property Registry or such other applicable provincial legislation unless otherwise provided herein.

15. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

16. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges unless the Applicants also obtain the prior written consent of the Proposal Trustee and the other beneficiaries of the Charges, or further Order of this Court.

17. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the “**Chargees**”) thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Charges shall not create or be deemed to constitute a breach by the Applicants of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by the creation of the Charges; and
- (c) the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

18. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicants' interest in such real property leases.

SEALING

19. **THIS COURT ORDERS** that Confidential Appendix "●" and Confidential Appendix "●" to the First Report are hereby sealed and shall not form part of the public record pending further order of the Court.

STAY EXTENSION

20. **THIS COURT ORDERS** that the Proposal Period is hereby extended in accordance with subsection 50.4(9) of the BIA, to and including June 20, 2018.

SERVICE AND NOTICE

21. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the 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 of the Rules of Civil Procedure (Ontario) (the "**Rules**"), this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules. Subject to Rule 3.01(d) of the Rules and paragraph 21 of the

Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: <http://www.richter.ca/Folder/Insolvency-Cases/N/Nine-West-Canada-LP>.

22. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicant and the Proposal Trustee are at liberty to serve or distribute this Order, any other materials and orders in these proceedings and any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the Applicants 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.

23. **THIS COURT ORDERS** that the Applicants, the Proposal Trustee and their counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Applicants' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

24. **THIS COURT ORDERS** that the Proposal Trustee continues to be and is hereby authorized to take all steps required to fulfill its duties under the BIA or as an officer of the Court, including, without limitation, to:

- (a) monitor the Applicants' receipts and disbursements;
- (b) report to this Court at such times and intervals as the Proposal Trustee may deem appropriate with respect to matters relating to the Property, and such other matters as may be relevant to the proceedings herein;

- (c) assist the Applicants in their preparation of the Applicants' cash flow statements, which information shall be reviewed with the Proposal Trustee;
- (d) assist the Applicants in their development of a proposal to their creditors and any amendments to such proposal;
- (e) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on a proposal;
- (f) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under the BIA or this Order;
- (g) be at liberty to engage such Persons as the Proposal Trustee deems necessary or advisable respecting the exercise of its powers and performance of its obligations under the BIA or this Order; and
- (h) perform such other duties as are required by the BIA, this Order or by this Court from time to time.

25. **THIS COURT ORDERS** that the Proposal Trustee shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Applicants' business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Applicants' business or the Property, or any part thereof.

26. **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the Proposal Trustee under the BIA or as an officer of this Court, the Proposal Trustee shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in

this Order shall derogate from the protections afforded to the Proposal Trustee under the BIA or any applicable legislation.

GENERAL

27. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

28. **THIS COURT HEREBY REQUESTS** the aid and recognition of any Court, tribunal, regulatory or administrative bodies, having jurisdiction in Canada or in the United States of America, to give effect to this Order and to assist the Applicants, 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 Applicants 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 Applicants and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

29. **THIS COURT ORDERS** that any interested party (including the Applicants and the Proposal Trustee) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto

ADMINISTRATION ORDER

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Lawyers for the Applicants

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF JONES
CANADA, INC. AND NINE WEST CANADA LP

Estate/Court File No. 31-2363758

Estate/Court File No. 31-2363759

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto

MOTION RECORD OF THE APPLICANTS
(Approval of the Liquidation Process and Administration
Order returnable April 11, 2018)

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