

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

BETWEEN:

STRELLSON AG

Applicant

- and -

STRELLMAX LTD.

Respondent

**APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3,
as amended and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. c-43, as amended**

**APPLICATION RECORD
(Returnable July 7, 2017)**

Date: June 30 2017

GOWLING WLG (CANADA) LLP

Barristers & Solicitors
1 First Canadian Place, Suite 1600
100 King Street West
Toronto ON M5X 1G5

David F.W. Cohen (LSUC. No. 33195Q)

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Frank D. Lamie (LSUC No. 54035S)

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Solicitors for Strellson AG

TO: THE ATTACHED SERVICE LIST

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TAB 1

**ONTARIO
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APPLICATION UNDER section 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended and section 101 of the Courts of Justice Act, R.S.O. 1990, c. c-43, as amended

NOTICE OF APPLICATION

TO THE RESPONDENTS:

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the Applicant. The claim made by the Applicant is set out on the following pages.

THIS APPLICATION will come on for a hearing on Friday, July 7, 2017 at 10:00 a.m., or as soon thereafter as the application can be heard, at the Courthouse located at 330 University Avenue, Toronto.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38C prescribed by the *Rules of Civil Procedure*, serve it on the applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but not later than 2:00 p.m. on the day before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date: June 30, 2017

Issued by _____
Local Registrar

Address of Court Office:
330 University Avenue
Toronto, Ontario, Canada

TO: THE SERVICE LIST

1. **STRELLSON AG (“Strellson”), MAKES APPLICATION FOR**, *inter alia*:
 - (a) an Order (the "**Appointment Order**") substantially in the form of order attached at Tab 3 of the Application Record;
 - (i) appointing Richter Advisory Group Inc. ("**Richter**") as the receiver ("**Receiver**"), without security, of the assets, undertaking and properties of Strellmax Ltd. (the "**Company**") comprising, acquired for, or used in relation to, the business carried on by the Company (the "**Property**") pursuant to section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1986, c B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C43, as amended (the "**CJA**");
 - (ii) Granting the following charges over the Property, with the relative priorities as set out below:
 - (1) A charge in favour of the Receiver, counsel to the Receiver, and counsel to the Company in the maximum aggregate amount of \$400,000.00;
 - (2) A charge in favour of the directors and officers of the Company in the maximum amount of \$150,000.00;
 - (b) an Order (the "**Approval and Vesting Order**") substantially in the form of order attached at Tab 5 of the Application Record, approving a sale transaction (the "**Sale Transaction**") in respect of certain assets (the "**Purchased Assets**") of the Company including but not limited to certain assets used in the Company's Wholesale Business (as defined below) contemplated by an asset purchase agreement (the "**APA**"), to be entered into, between the Company, Strellson and the Receiver, and vesting in Strellson the Company's right, title and interest in and to the Purchased Assets; and

- (c) such further and other relief as may be just and equitable.

2. THE GROUNDS FOR THE APPLICATION ARE:

Background

- (a) Strellson, is a Swiss based manufacturer and licensor of the global men's apparel brand "Strellson" (the "**STR Brand**");
- (b) The Company is a retailer (the "**Retail Store Business**") and the sole Canadian distributor (the "**Wholesale Business**") of the STR Brand;
- (c) On June 6, 2016, The Toronto-Dominion Bank (the "**Original Lender**") as lender, and the Company, as borrower, executed a commitment letter (as subsequently amended by an amending agreement dated December, 6, 2016, the "**Commitment Letter**"), pursuant to which the Original Lender agreed to make available to the Company, certain credit facilities;

Appointment of Receiver

- (d) As security for its indebtedness under the Commitment Letter (the "**Collateral Security**"), among other things, the Company granted to the Original Lender (as subsequently assigned to the Company under the Assignment Agreement (as defined below)) a general security interest in the Property pursuant to the terms of a general security agreement dated July 11, 2012;
- (e) On June 30, 2017, pursuant to an assignment agreement (the "**Assignment Agreement**") the Original Lender assigned all of its rights and obligations under the Commitment Letter and the Collateral Security to Strellson;
- (f) the Company is currently in default of its obligations under, *inter alia*, the Commitment Letter secured by the Collateral Security, and the Collateral Security is now enforceable;
- (g) Strellson is in the process of terminating its distribution and licensing agreements with the Company which will effectively prevent the Company from (i) operating in its current form, and (ii) generating sufficient revenue to pay back its indebtedness under the Commitment Letter, in whole or in part;

- (h) On June 30, 2017, Strellson delivered to the Company a demand for payment (the “**Demand Letter**”) pursuant to the Commitment Letter and Collateral Security and a Notice of Intention to Enforce Security pursuant to section 244(1) of the BIA (the “**Section 244 Notice**”);
- (i) In response to the Demand Letter, the Company formally waived the notice periods set forth in the Demand Letter and the Section 244 Notice, and agreed to the immediate appointment of Richter as Receiver;
- (j) The appointment of a Receiver is in the interests of justice and is just, convenient, and necessary;
- (k) Richter has agreed to be appointed as the Receiver of the property, assets, and undertakings of the Company;

Sale Transaction

- (l) In the lead up to these proceedings, Strellson and the Company determined, in consultation with Richter, that the Wholesale Business could potentially be continued as a going concern which would maximize the value of the Wholesale Business's underlying assets;
- (m) The APA, has been substantially negotiated between the Company and Strellson;
- (n) It is appropriate for the Court to approve the Sale Transaction and the Sale Transaction is in the best interest of the Company's stakeholders, as among other things: (i.) the purchase price under the APA is significantly more than the fair market value of the Purchased Assets, and includes, *inter alia*, payment of at least the book value of the wholesale inventory; and (ii.) the Sale Transaction will permit a seamless transition of the Wholesale Business to new ownership minimizing disruption to the Wholesale Business and sheltering it from the proposed receivership proceedings, preserving a significant business for those that rely on it including its trade creditors and potentially certain of its employees;

General

- (o) The provisions of the BIA, including section 243;
- (p) Section 101 of the CJA;

- (q) Rules 1.04, 3.02, 16.08, and 38 of the *Rules of Civil Procedure*, R.R.O. 1990, c. C.43; and
- (r) Such further and other grounds as counsel may advise and this Honourable Court permit.

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

- (a) The Affidavit of Marcel Braun, sworn June 30, 2017;
- (b) The Pre-Filing Report of the proposed Receiver; and
- (c) Such further material as counsel may advise and this Honourable Court may permit.

Date: June 30, 2017

GOWLING WLG (CANADA) LLP
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100 King Street West, Toronto, ON M5X 1G5

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**Solicitors for the Applicant,
Strellson AG**

Court File No. CV-

B E T W E E N:**STRELLSON AG**
Applicant

- and -

STRELLMAX LTD.
Respondent**APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. c-43, as amended****ONTARIO**
SUPERIOR COURT OF JUSTICE
(Commercial List)
(PROCEEDING COMMENCED AT TORONTO)**NOTICE OF APPLICATION**
(Returnable July 7, 2017)**GOWLING WLG (CANADA) LLP**
Barristers & Solicitors
1 First Canadian Place
100 King Street West, Suite 1600
Toronto ON M5X 1G5**David F. W. Cohen (LSUC No. 33195Q)**
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LAWYERS FOR THE APPLICANT, STRELLSON AG

TAB 2

Court File No. CV-

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

BETWEEN:

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- and -

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as amended and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. c-43, as amended**

AFFIDAVIT OF MARCEL BRAUN

(Sworn June 30, 2017)

I, **MARCEL BRAUN**, of the municipality of Uitikon, Switzerland, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am the Chief Executive Officer of Strellson AG (“**Strellson**”) and as such, I have personal knowledge of the matters to which I hereinafter depose save and except where I refer to matters based on information and belief, in which case I verily believe that information to be true.

2. This affidavit is sworn in support of an application by Strellson to the Ontario Superior Court of Justice [Commercial List] (the “**Court**”) for among other things:

- (a) an Appointment Order in the form of order attached at Tab 3 of the Application Record (the “**Appointment Order**”):

- (i) appointing Richter Advisory Group Inc. (“**Richter**”) as the receiver (“**Receiver**”), without security, of the assets, undertaking and properties of Strellmax Ltd. (the “**Company**”) comprising, acquired for, or used in relation to, the business carried on by the Company (the “**Property**”) pursuant to section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1986, c B-3, as amended (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C43, as amended;
 - (ii) granting the following charges over the Property, with the relative priorities as set out below:
 - (1) A charge in favour of the Receiver, counsel to the Receiver, and counsel to the Company in the maximum aggregate amount of \$400,000 (the “**Administration Charge**”);
 - (2) A charge in favour of the D&O (as defined below) in the maximum amount of \$150,000 (the “**D&O Charge**”); and
 - (b) an Approval and Vesting Order in the form of order attached at Tab 5 of the Application Record (the “**Approval and Vesting Order**”), approving a sale transaction (the “**Sale Transaction**”) in respect of certain assets (the “**Purchased Assets**”) of the Company, including, but not limited to, certain assets used in the Company’s Wholesale Business (as defined below) contemplated by an asset purchase agreement (the “**APA**”), to be entered into, between the Company, Strellson and the Receiver, and vesting in Strellson the Company’s right, title and interest in and to the Purchased Assets.
3. As will be further explored below, the Applicant is seeking the Appointment Order on the basis *inter alia* that: (i.) the Company is in default of its obligations to Strellson under the Commitment Letter

(as defined below); (ii.) the Company is facing a significant cash flow crises with no readily identifiable source of liquidity available to repay the Indebtedness (as defined below) in whole or in part; and (ii.) Strellson intends to terminate the Licensing Agreement and Distribution Agreement (each as defined below), which are critical to the operation of the Company, effectively foreclosing on the Company's ability to operate in its current form.

4. In turn, the Approval and Vesting Order is being sought at this time on the grounds that among other things: (i.) the approval of the Sale Transaction will preserve the Wholesale Business as a going concern, minimizing disruption for certain trade creditors of the Company; and (ii.) Strellson has been advised by Richter that the purchase price represents fair value for the Purchased Assets and that the alternative to the Sale Transaction would result in recoveries of substantially less than the value attributed to the Purchased Assets in the APA.

I. DESCRIPTION OF THE PARTIES

5. Strellson, is a Swiss based manufacturer and licensor of the global men's apparel brand "Strellson" (the "**STR Brand**").

6. The Company is a retailer (the "**Retail Store Business**") and the sole Canadian distributor (the "**Wholesale Business**") of the STR Brand. It is a privately owned corporation incorporated pursuant to the *Business Corporations Act* R.S.O. 1990, c. B.16. The Company is "arms-length" from Strellson and Strellson does not own any shares either directly or indirectly in the Company. Attached hereto and marked as **Exhibit "A"** is a copy of the Corporate Profile Report for the Company dated June 30, 2017.

II. DESCRIPTION OF THE COMPANY'S BUSINESS

7. As outlined above, the Company's operations can effectively be separated into two segments, the Wholesale Business and the Retail Store Business.

8. The Wholesale Business, is comprised largely of the sale of STR Brand inventory to department stores including through specialty kiosks and independent apparel stores. It is operated primary out of the Company's registered head office and distribution centre which is located at 3725 Chesswood Drive, Toronto, Ontario, Canada (the "**Head Office and Distribution Centre**").

9. The Retail Store Business, is comprised of the sale of STR Brand inventory directly to consumers through 5 standalone retail store locations (the "**Retail Stores**"). The Retail Stores are located in Toronto (3), Ottawa (1) and Vancouver (1), and are all operated out of leased premises.

10. As of the date of this Affidavit, the Company employs approximately 16 employees at the Head Office and Distribution Centre and 29 employees at the Retail Stores.

III. THE COMMITMENT LETTER

11. On June 6, 2016, The Toronto-Dominion Bank (the "**Original Lender**"), as lender, and the Company, as borrower, executed a commitment letter (as subsequently amended by an amending agreement dated December, 6, 2016, the "**Commitment Letter**"), pursuant to which the Original Lender agreed to make available to the Company, the following credit facilities:

- (a) A demand operating facility in the maximum of \$2,700,000 (the "**Demand Operating Facility**");
- (b) A committed reducing term facility in the maximum amount of \$1,200,000 (the "**Committed Reducing Term Facility**").

Attached hereto and marked as **Exhibit "B"** is a copy of the Commitment Letter.

12. As will be further discussed below, on June 30, 2017, the Original Lender assigned all of its rights and obligations under the Commitment Letter and the Collateral Security (as defined below) to Strellson, in accordance with the terms of an assignment agreement, entered into between the Original

Lender, as assignor, and Strellson, as assignee (the “**Assignment Agreement**”). Attached hereto and marked as **Exhibit “C”** is a copy of the Assignment Agreement.

13. As of June 30, 2017, the total indebtedness due and owing to Strellson by the Company pursuant to the Commitment Letter is approximately \$3,699,310.33 plus accruing interest, fees and expenses (collectively, the “**Secured Indebtedness**”).

IV. SECURITY GRANTED TO THE ORIGINAL LENDER

14. As security for its indebtedness under the Commitment Letter (the “**Collateral Security**”), among other things, the Company granted to the Original Lender (as subsequently assigned to the Company under the Assignment Agreement) a general security interest in the Property pursuant to the terms of a general security agreement dated July 11, 2012 (the “**GSA**”). Attached hereto and marked as **Exhibit “D”** is a copy of the GSA.

15. The Original Lender registered its security interests in respect of the Company’s personal property under the *Personal Property and Security Act (Ontario)* (the “**PPSA**”) on *inter alia* July 11, 2012 and September 6, 2013 (the “**Original Registrations**”).

16. The Original Registrations, with the exception of one registration maintained by the Original Lender to secure cash collateral in the amount of \$71,500 in connection with certain credit cards issued by the Original Lender, were assigned to Strellson in accordance with the Assignment Agreement by way of the registration of “financing change statements” on June 30, 2017 (the “**Strellson Registrations**”).

17. I have been advised by Strellson’s counsel, Gowling WLG (Canada) LLP (“**Gowling WLG**”), that Strellson effectively holds a first ranking security interest over all of the personal property of the Company in Ontario, subject to possible purchase money security interests on certain equipment held by the Company.

V. FINANCIAL DIFFICULTIES OF THE COMPANY

18. Critical to the Wholesale Business and the Retail Store Business are two agreements entered into between the Company and Strellson:

- (a) a Licensing Agreement dated June 26, 2012 (as amended and replaced from time to time, the “**Licensing Agreement**”) pursuant to which the Company is licensed to use the STR Brand in Canada (the “**License**”); and
- (b) an importation agreement (as amended and replaced from time to time, the “**Distribution Agreement**”) dated April 4 and April 8, 2016, pursuant to which Strellson supplied STR Brand inventory to the Company for sale in the Retail Store Business and Wholesale Business.

19. Subsequent to entering into the Commitment Letter, the Company has generally been current in making all payments of interest and principal due thereunder. Its ability to do so has largely depended on the effective forbearance by Strellson in respect of the non-payment of amounts due and owing to Strellson under the Licensing Agreement and the Distribution Agreement.

20. At or around September of 2016, Strellmax began to have difficulty making payments when required, and in the amounts required, under the Licensing Agreement and the Distribution Agreement.

21. It is my understanding that as of the date hereof, the Company is indebted to Strellson in the amount of approximately \$3,592,284.46, in respect of amounts past due and owing under the Licensing Agreement and the Distribution Agreement, of which approximately \$1,559,424.14, is 150 days past due and owing.

22. Since approximately January of 2017, Strellson has engaged in continuous negotiations with the Company to develop a strategy to quell the Company's emerging liquidity crises and determine a viable strategy for restructuring its business.

23. To this end, Strellson, with the consent of the Company, engaged Richter as a financial consultant to assist Strellson and the Company in developing a plan to manage the Company's liquidity issues.

24. On March 1, 2017, the Company and Strellson, entered into a non-binding term sheet (the "**LOI**"), under which, among other things, the parties proposed that:

- (a) Strellson would take an assignment of the Original Lender's right and obligations under the Commitment Letter, and amend the Commitment Letter to expand the credit facilities offered thereunder in the total initial amount of \$6.9 million dollars (the "**Proposed Credit Facilities**");
- (b) An integrated financial business plan for the fiscal years 2017-2019 would be developed by Richter, that included, *inter alia*, benchmarks pertaining to decreased leasehold and employment expenses in connection with the Retail Store Business; and
- (c) The Company would commit to providing monthly financial reporting to Strellson and Richter.

Attached hereto and marked as **Exhibit "E"** is a copy of the LOI.

25. Following execution of the LOI, Strellson and the Company entered into good faith negotiations in an attempt to enter into a definitive agreement ("**Definitive Agreement**") memorializing, among other things, the terms of the LOI.

26. At the same time, Strellson and the Original Lender simultaneously entered into negotiations to finalize the terms of the Assignment Agreement.

27. In or around April of 2017, it became clear to Strellson, that it was unlikely that even if a Definitive Agreement was entered into between Strellson and the Company, a viable strategy could be developed to turnaround the Company's business, as:

- (a) The Company was given notice by the landlord of its flagship Toronto store, that it intended to terminate its lease;
- (b) The Company advised Strellson that certain reductions in leasehold expenses that Strellson expected the Company would obtain, could not be obtained; and
- (c) Actual financial results in 2017, were significantly below what had been previously forecasted by the Company.

28. In light of the diminished prospects of the Company's future viability, and *inter alia*, the historic and continued non payment of amounts due and owing under the Licensing Agreement and Distribution Agreement, Strellson decided that it was no longer in a position to continue to support the Company by effectively providing *gratis* use of the License and inventory. As a result, Strellson is in the process of terminating each of the Licensing Agreement and Distribution Agreement.

VI. ISSUANCE OF DEMAND LETTER AND NOTICES OF INTENTION

29. On June 30, 2017, the Original Lender and Strellson entered into the Assignment Agreement and the Original Lender assigned all of its rights and obligations under the Commitment Letter and Collateral Security to Strellson.

30. Additionally at this time, Strellson delivered to the Company a demand for payment (the "**Demand Letter**"), pursuant to the Commitment Letter and Collateral Security and a Notice of Intention to Enforce Security pursuant to section 244(1) of the BIA (the "**Section 244 Notice**"). Attached hereto and marked as **Exhibits "F"** and "**G"** are copies of the Demand Letter and Section 244 Notice.

31. In response to the Demand Letter, the Company formally waived the notice periods set forth in the Demand Letter and the Section 244 Notice, and agreed to the immediate appointment of Richter as Receiver (the “**Consent and Waiver**”). Attached hereto and marked as **Exhibit “H”** is a copy of the Consent and Waiver.

VII. LIQUIDATION OF RETAIL STORE BUSINESS

32. After it became apparent that a Definitive Agreement could not be reached, and that no readily identifiable solution existed to stem the Company’s liquidity crises, Strellson, the Company and Richter, attempted to determine, in whole or in part, if the Retail Store Business or Wholesale Business could be sold as a going concern in concert with the appointment of a Receiver.

33. In respect of the Retail Store Business, the parties came to the conclusion that the only viable process to efficiently and expeditiously realize upon the majority of the assets used in the Retail Store Business along with certain obsolete assets owned by the Company more generally, was through the initiation of store closing sales at the Retail Stores (the “**Liquidation Sale**”). This decision was made on the basis, among other things, that Strellson was unwilling to enter into a new long term Licensing Agreement and Distribution Agreement with any potential purchaser of the Retail Store Business, and, as a result the Retail Store Business could not be sold as a going concern, nor could inventory be replenished in the Retail Stores.

34. In order to facilitate the Liquidation Sale, Strellson has agreed that its termination of the Licensing Agreement will be subject to the use of the STR Brand by the Company for the sole purpose of conducting the Liquidation Sale.

VIII. THE SALE TRANSACTION

35. In respect of the Wholesale Business, Strellson and the Company determined, in consultation with Richter, that this segment of the Company's business could potentially be continued as a going concern which would maximize the value of the Wholesale Business's underlying assets.

36. Strellson itself, after careful consideration, came to the conclusion that in order to protect inroads made in Canada in respect of the STR Brand, it would be willing to purchase the Wholesale Business at a premium in the hopes of continuing to have a strong presence for the STR Brand in Canada.

37. The Purchased Assets under the APA will include, among other things, all inventory related to the Wholesale Business (the "**Wholesale Inventory**").

38. The APA has been substantially negotiated among the Company and Strellson. Negotiations are ongoing and I understand that Richter will be providing a detailed summary and appending a copy of the APA in the form generally sought to be approved by the Court in a pre-filing report to be filed with the Court (the "**Receiver's Pre-Filing Report**").

39. I believe in the circumstances it is appropriate for the Court to approve the Sale Transaction and that the Sale Transaction is in the best interest of the Company's stakeholders, for the following reasons:

- (a) As Strellson is unwilling to enter into a new Licensing Agreement or Distribution Agreement with a third party, absent the Sale Transaction being approved, the Wholesale Business and the Purchased Assets more generally will have to be sold piecemeal, which would greatly reduce recovery on these assets;
- (b) the Purchase Price under the APA is significantly more than the fair market value of the Purchased Assets, and includes, *inter alia*, payment of at least the book value of the Wholesale Inventory;

- (c) Under the APA, Strellson will assume all costs related to the transportation of the Purchased Assets, which otherwise in a liquidation would be borne by the estate;
- (d) As will be outlined in the Receiver's Pre-Filing Report, Richter's counsel has reviewed Strellson's security and has concluded that it creates a valid security interest in favour of Strellson in the Property, including, for greater certainty, the Purchased Assets;
- (e) The Sale Transaction has minimal closing risks (including no financing risk) as it is a credit-bid and payment of the Purchase Price will be by way of an offset against the Indebtedness; and
- (f) The Sale Transaction will permit a seamless transition of the Wholesale Business to new ownership minimizing disruption to the Wholesale Business, sheltering it from the proposed receivership proceedings (and any stigma or unnecessary interruption that may be caused by such proceedings) and preserving a significant business for those that rely on it, including, its trade creditors and potentially certain of its employees.

IX. THE D&O CHARGE / ADMINISTRATION CHARGE

40. The form of Appointment Order contemplates that the Company, through the oversight of its current management (the “D&O”), will continue to be in possession of the Property during the course of the proposed receivership proceedings in order to effect the orderly winding-down of the Company.

41. I understand that the D&O may only be willing to participate in the management of the business during the proposed receivership proceedings, if they obtain an indemnity against any obligations and liabilities that they may incur in their personal capacity during the course of these proceedings.

42. As the D&O are intimately familiar with the Property, it is my belief that their participation in the management of the business during the proposed receivership proceedings will be invaluable to the efficient and expeditious winding-down of the Company.

43. The form of Appointment Order being sought by Strellson accordingly includes both: (i) a general indemnity for the D&O of obligations and liabilities that they may incur during the receivership proceedings; and (ii) the D&O Charge.

44. I have been advised by Gowling WLG, that it is contemplated that the benefit of the D&O Charge will only be available to the extent that coverage for any liability incurred is not already covered under the insurance policy currently maintained by the Company in respect of the D&O.

45. The form of Appointment Order also contemplates the granting of the Administration Charge, to secure the fees and disbursements of the Receiver, counsel to the Receiver, and counsel to the Company in the maximum amount of \$400,000.

46. I believe that the nature of the Company's business, requires the expertise, knowledge and participation of the proposed beneficiaries of the Administration Charge, in order to expeditiously and efficiently achieve the purpose of the proposed receivership proceedings.

X. CONCLUSION AND RELIEF SOUGHT

47. As outlined above, the Company has been in a severe liquidity crises since approximately September of 2016. Strellson is unaware of any sources of liquidity available to the Company to permit the Company to meet its working capital obligations as they generally become due.

48. Even if such liquidity existed, the Licensing Agreement and Distribution Agreement are in the process of being terminated by Strellson and the Company is not in a position to continue to operate as it currently exists, nor to generate cash flow sufficient to repay the Indebtedness in whole or in part.

- 13 -

49. For these reasons, I believe it is just and convenient in the circumstances to appoint Richter as Court-appointed receiver and manager.

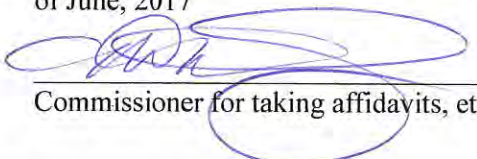
50. If this Honourable Court sees fit to make such an appointment, Richter has consented to act as Court-appointed receiver and manager of the Property. Attached hereto and marked as **Exhibit "I"** is a copy of Richter's Consent to Act as Receiver.

51. Richter is a licensed trustee in bankruptcy, and since January of 2017, has worked continuously with Strellson and the Company to review the Company's financial position and cash flow. As a result, Richter is intimately familiar with the Company's business and the Property.

52. I also believe that it is appropriate at this time for the Court to approve the Sale Transaction, as this transaction offers significant value to the Company's stakeholders and creditors, including by preserving the Wholesale Business on a go-forward basis.

53. This Affidavit is sworn in support of Strellson's application for the relief set out in paragraph 2 above and for no other or improper purpose.

SWORN before me at the City of Toronto,
in the Province of Ontario this 30th day
of June, 2017


Commissioner for taking affidavits, etc.



MARCEL BRAUN

**Mark Graham McAuley, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires May 8, 2020.**

EXHIBIT

A

This is **Exhibit “A”** referred to in the
Affidavit of Marcel Braun sworn before me
this 30th day of June, 2017



A commissioner for taking affidavits

**Mark Graham McAuley, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires May 8, 2020.**

Request ID: 020439352
 Transaction ID: 64931736
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2017/06/30
 Time Report Produced: 09:12:49
 Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
884021	STRELLMAX LTD.	1990/02/19
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address		Date Amalgamated
3725 CHESSWOOD DRIVE		NOT APPLICABLE
		Amalgamation Ind.
		NOT APPLICABLE
		New Amal. Number
		NOT APPLICABLE
		Notice Date
		NOT APPLICABLE
		Letter Date
		NOT APPLICABLE
Mailing Address		Revival Date
3725 CHESSWOOD DRIVE		1995/10/31
		Continuation Date
		NOT APPLICABLE
		Transferred Out Date
		NOT APPLICABLE
		Cancel/Inactive Date
		NOT APPLICABLE
		EP Licence Eff.Date
		NOT APPLICABLE
		EP Licence Term.Date
		NOT APPLICABLE
	Number of Directors	Date Commenced
	Minimum Maximum	in Ontario
	UNKNOWN UNKNOWN	NOT APPLICABLE
Activity Classification		Date Ceased
NOT AVAILABLE		in Ontario
		NOT APPLICABLE

Request ID: 020439352
 Transaction ID: 64931736
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2017/06/30
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CORPORATION PROFILE REPORT

Ontario Corp Number

884021

Corporation Name

STRELLMAX LTD.

Corporate Name History

STRELLMAX LTD.

Effective Date

1990/02/19

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Administrator:

Name (Individual / Corporation)

BOB

ALI

Address

87 PANTOMINE BLVD.

BRAMPTON
 ONTARIO
 CANADA L6Y 5N4

Date Began

2015/07/31

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

CHIEF FINANCIAL OFFICER

Resident Canadian

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Province of Ontario
 Ministry of Government Services

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CORPORATION PROFILE REPORT

Ontario Corp Number

884021

Corporation Name

STRELLMAX LTD.

Administrator:

Name (Individual / Corporation)

SHELLEZA
 ALI

Address

28 RADIAL STREET

 BRAMPTON
 ONTARIO
 CANADA L6Y 5K7

Date Began

2015/07/31

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

VICE-PRESIDENT

Resident Canadian

Administrator:

Name (Individual / Corporation)

MARK
 ALTOW

Address

29 RIDGE HILL DRIVE

 TORONTO
 ONTARIO
 CANADA M6C 3A3

Date Began

1994/01/04

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 020439352
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Category ID: UNE

Province of Ontario
Ministry of Government Services

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CORPORATION PROFILE REPORT

Ontario Corp Number

884021

Corporation Name

STRELLMAX LTD.

Administrator:**Name (Individual / Corporation)**MARK
ALTOW**Address**29 RIDGE HILL DRIVE

TORONTO
ONTARIO
CANADA M6C 3A3**Date Began**

1994/01/04

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian

Y

Administrator:**Name (Individual / Corporation)**FRANCES
ALTOW**Address**29 RIDGE HILL DRIVE

TORONTO
ONTARIO
CANADA M6C 3A3**Date Began**

1998/02/02

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

SECRETARY

Resident Canadian

Request ID: 020439352
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Category ID: UNE

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Ministry of Government Services

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CORPORATION PROFILE REPORT

Ontario Corp Number

884021

Corporation Name

STRELLMAX LTD.

Administrator:**Name (Individual / Corporation)**FRANCES
ALTOW**Address**29 RIDGE HILL DRIVE

TORONTO
ONTARIO
CANADA M6C 3A3**Date Began**

1998/02/02

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

TREASURER

Resident Canadian**Administrator:****Name (Individual / Corporation)**JELICA
GREENWOOD**Address**33 RINGWOOD CRESCENT

TORONTO
ONTARIO
CANADA M3J 1C8**Date Began**

2015/07/31

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

VICE-PRESIDENT

Resident Canadian

Request ID: 020439352
Transaction ID: 64931736
Category ID: UNE

Province of Ontario
Ministry of Government Services

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CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

884021

STRELLMAX LTD.

Last Document Recorded

Act/Code	Description	Form	Date
BCA	ARTICLES OF AMENDMENT	3	2017/05/02

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

EXHIBIT

B

This is **Exhibit “B”** referred to in the
Affidavit of Marcel Braun sworn before me
this 30th day of June, 2017



A commissioner for taking affidavits

**Mark Graham McAuley, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires May 8, 2020.**



Midtown
 2 St Clair Ave E Suite 500
 Toronto, ON
 M4T 2T5
 Telephone No.: (416) 944 4041
 Fax No.: (416) 961 3124

June 06, 2016

STRELLMAX LTD.
 3725 Chesswood Drive
 Toronto ON M3J 2P6

Attention: Mr. Mark Altow

Dear Mr. Altow,

We are pleased to offer the Borrower the following credit facilities (the "Facilities"), subject to the following terms and conditions.

BORROWER

STRELLMAX LTD.

(the "Borrower")

LENDER

The Toronto-Dominion Bank(the "Bank"), through its Midtown branch, in Toronto, ON.

CREDIT LIMIT

- 1) Ensure outstanding advances including the face amount of any outstanding undrawn L/Cs, L/Gs, will be at all times the lesser of:
 - a) CAD\$2,200,000 AND
 - b) the TOTAL of:
 - (i) 85% of the Receivable value insured by Accord Financial Agreement and
 - (ii) 75% of un-insured Accounts Receivables
net of over 90 day accounts, contras, related accounts and average annual returns and rebates percentage plus
 - (iii) 50% of Inventory value (net of under 30-day trade payables) up to a maximum of
CDN\$1,000,000 plus
 - (iv) USD balances at TD account#7309538-1284

- 2) CAD\$1,200,000

**TYPE OF CREDIT
AND BORROWING
OPTIONS**

- 1) **Operating Loan** available at the Borrower's option by way of:
- Prime Rate Based Loans in CAD\$ ("Prime Based Loans")
 - United States Base Rate Loans in USD\$ ("USBR Loans")
 - Letters of Credit in CAD\$ or USD\$ ("L/Cs")
 - Stand-by Letters of Guarantee in CAD\$ ("L/Gs")
- 2) **Committed Reducing Term Facility (Multiple Draw)** available at the Borrower's option by way of:
- Fixed Rate Term Loan in CAD\$
 - Floating Rate Term Loan available by way of:
 - Prime Rate Based Loans in CAD\$ ("Prime Based Loans")

PURPOSE

- 1) To finance day to day requirements and allow for issuance of L/Cs and L/Gs.
- 2) To refinance leasehold improvements

TENOR

- 1) Uncommitted
- 2) Committed

**CONTRACTUAL
TERM**

- 1) No term
- 2) 60 month(s) from the date of drawdown.

**RATE TERM
(FIXED RATE
TERM LOAN)**

- 2) Fixed rate: 6 month, 12-60 months but never to exceed the Contractual Term Maturity Date
- 2) Floating rate: No term

AMORTIZATION

- 2) 60 month(s)

**INTEREST RATES
AND FEES**

Advances shall bear interest and fees as follows:

- 1) **Operating Loan:**
- Prime Based Loans: Prime Rate + 1.250% per annum
 - USBR Loans: USBR + 1.250% per annum
 - L/Cs: As advised by the Bank at the time of issuance of the L/C
 - L/Gs: 2.000% per annum
- 2) **Committed Reducing Term Facility:**
- Fixed Rate Term Loans: As determined by the Bank, in its sole discretion, for the Rate Term selected by the Borrower, and as set out in the Rate and Payment Terms Notice applicable to that Fixed Rate Term Loan.
 - Floating Rate Term Loans available by way of:
 - Prime Based Loans: Prime Rate + 1.750% per annum

For all Facilities, interest payments will be made in accordance with Schedule "A" attached hereto unless otherwise stated in this Letter or in the Rate and Payment Terms Notice applicable for a particular drawdown. Information on interest rate and fee definitions, interest rate calculations and payment is set out in the Schedule "A" attached hereto.

Interest on Fixed Rate Term Loans under Facility #2 is compounded and payable monthly in arrears.

RENEWAL FEE

CAD\$1,000 per annum.

AMINISTRATION FEE

CAD\$250 per month.

AMENDMENT FEE

CAD\$4,000 One time.

EXCESS MONITORING FEE

The Borrower may, at the Bank's discretion, be charged an Excess Monitoring Fee of \$250.00, payable in the currency of the Facility, each time that the Credit Limit of a Facility is exceeded. Any extension of credit above the Credit Limit will be at the Bank's sole and absolute discretion.

DRAWDOWN**Assigned Description
Facilities**

- 1) Upon satisfaction of Disbursement Conditions. Thereafter, as required, in transfer multiples of \$5,000.
- 2) Draws are at 75% of leaseholds including soft costs such as installation but excluding taxes. Minimum draws to be \$50,000 supported by invoices and paid cheques.
- 2) Each reducing total will be a tranche and each tranche will bear its own interest rate and repayment terms as set out in the Rate and Payment Terms notice delivered by the Bank to the Borrower in respect of that drawdown.
- 2) Multiple draws permitted up to the Credit Limit, as reduced pursuant to the Repayment and Reduction of Amount of Credit Facility Section.

Each drawdown under 2 will be a "tranche" and each tranche will bear its own interest rate and repayment terms as set out in the Rate and Payment Terms Notice delivered by the Bank to the Borrower in respect of that drawdown.

Notice periods, minimum amounts of draws, interest periods and contract maturity for LIBOR Loans, terms for Banker's Acceptances and other similar details are set out in the Schedule "A" attached hereto.

**BUSINESS CREDIT
SERVICE**

The Borrower will have access to the Operating Loan (Facility 1) via Loan Account Number 1956-9244121 1284 (the "Loan Account") up to the Credit Limit of the Operating Loan by withdrawing funds from the Borrower's Current Account Number 1284-5266435 (the "Current Account"). The Borrower agrees that each advance from the Loan Account will be in an amount equal to \$5,000 (the "Transfer Amount") or a multiple thereof. If the Transfer Amount is NIL, the Borrower agrees that an advance from the Borrower's Loan Account may be in an amount sufficient to cover the debits made to the Current Account.

The Borrower agrees that:

- a) all other overdraft privileges which have governed the Borrower's Current Account are hereby cancelled.
- b) all outstanding overdraft amounts under any such other agreements are now included in indebtedness under this Agreement.

The Bank may, but is not required to, automatically advance the Transfer Amount or a multiple thereof or any other amount from the Loan Account to the Current Account in order to cover the debits made to the Current Account if the amount in the Current Account is insufficient to cover the debits. The Bank may, but is not required to, automatically and without notice apply the funds in the Current Account in amounts equal to the Transfer Amount or any multiple thereof or any other amount to repay the outstanding amount in the Loan Account.

**REPAYMENT AND
REDUCTION OF
AMOUNT OF CREDIT
FACILITY****Assigned Description
Facilities**

- 1) On demand.
- 2) All amounts outstanding will be repaid on or before the Contractual Term Maturity Date.

Any amounts repaid may not be re-borrowed.

All drawdowns will be repaid in equal monthly payments of principal and applicable interest with interest only for 6 months from the date of first drawdown. To be fully repaid in 5 years from the date of first drawdown.

- 2) The details of repayment and interest rate applicable to such drawdown will be set out in the "Rate and Payment Terms Notice" applicable to that drawdown.

Floating Rate: Equal monthly principal payment plus applicable interest.

Fixed Rate: Equal monthly blended payment of principal and interest.

PREPAYMENT

Assigned Description Facilities

- 2) Floating Rate Loans can be prepaid at any time without penalty.
- 2) The Borrower has not selected the 10% Prepayment Option and accordingly, Fixed Rate Term Loans under this Facility may be prepaid in accordance with Section 4c) of Schedule A.

SECURITY

The following security shall be provided, shall, unless otherwise indicated, support all present and future indebtedness and liability of the Borrower and the grantor of the security to the Bank including without limitation indebtedness and liability under guarantees, foreign exchange contracts, cash management products, and derivative contracts, shall be registered in first position, and shall be on the Bank's standard form, supported by resolutions and solicitor's opinion, all acceptable to the Bank.

- a) General Security Agreement ("GSA") representing a First charge on all the Borrower's present and after acquired personal property - **On hand.**
- b) Assignment of Fire Insurance in the amount of CAD \$2,541,284 - **On hand.**
- c) Guarantee of Advances for CAD \$1,000,000 executed by MARK A ALTOW (the "Guarantor") in favour for Strellmax Ltd. - **To be obtained.**
- d) Assignment of Life Insurance on Mark Altow in the amount of CAD \$500,000 - **On hand.**
- e) Postponement and Assignment of Creditor's Claim executed by ADAMRAY INVESTMENTS INC. - **On hand.**
- f) Business Insurance CAD \$5,000,000
- g) Assignment of Term Deposits and Credit Balances registered in the name of STRELLMAX LTD. - **On hand.**
- h) Landlord's Letter of Non-Disturbance / Landlord's Waiver - **To Be Obtained**

All persons and entities required to provide a guarantee shall be referred to in this Agreement individually as a "Surety" and/or "Guarantor" and collectively as the "Guarantors";

All of the above security and guarantees shall be referred to collectively in this Agreement as "Bank Security".

DISBURSEMENT CONDITIONS

The obligation of the Bank to permit any drawdown hereunder is subject to the Standard Disbursement Conditions contained in Schedule "A" and the following additional drawdown conditions:

Delivery to the Bank of the following, all of which must be satisfactory to the Bank:

**Assigned Description
Facilities**

- All) All security to be on hand and in good order.
- All) Signed letter Agreement to be on hand.

**REPRESENTATIONS
AND WARRANTIES**

All representations and warranties shall be deemed to be continually repeated so long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect. The Borrower makes the Standard Representations and Warranties set out in Schedule "A".

**POSITIVE
COVENANTS**

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will and will ensure that its subsidiaries and each of the Guarantors will observe the Standard Positive Covenants set out in Schedule "A" and in addition will:

**REPORTING
COVENANTS**

**Assigned Description
Facilities**

- All) Borrower to provide Annual Review Engagement Financial Statements within 120 days of each fiscal year end.
- All) Borrower to provide a full inventory listing annually within 120 days of each fiscal year end.
- All) Borrower to provide an aged accounts receivable listing accounts payable listing (with 30 day trade accounts payable broken out) and inventory summary listing within 30 days of each month end, together with a compliance certificate.
- All) Borrower to provide updated copy of Importer Agreement as renewed or amended.
Guarantors to provide Personal Net Worth statements as requested by the Bank, at minimum every three years.

**NEGATIVE
COVENANTS**

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will and will ensure that its subsidiaries and each of the Guarantors will observe the Standard Negative Covenants set out in Schedule "A". In addition the Borrower will not and will ensure that its subsidiaries and each of the Guarantors will not:

**Assigned Description
Facilities**

- All) Borrower will not pay dividends or take distributions / shareholder loans unless all covenants are met on a pre and post payment basis.

PERMITTED LIENS

Permitted Liens as referred to in Schedule "A" are:

**Assigned Description
Facilities**

- All) Purchase Money Security Interests in equipment which Purchase Money Security Interests exist on the date of this Agreement ("Existing PMSIs") which are known to the Bank and all future Purchase Money Security Interests on equipment acquired to replace the equipment under Existing PMSIs, provided that the cost of such replacement equipment may not exceed the cost of the equipment subject to the Existing PMSI by more than 10%

**FINANCIAL
COVENANTS**

1. The Borrower agrees to:
Maintain a Debt Service Coverage ratio (DSC) of not less than 120% at all times. The DSC to be calculated as follows:

$$\frac{\text{(EBITDA - Cash Taxes - Unfinanced Capital Expenditures - Dividends - Shareholder Withdrawals)}}{\text{(Principal + Interest)}}$$

EBITDA is defined as Earnings before Interest, Income Taxes, Depreciation, and Amortization.

2. Maintain a Tangible Net Worth of not less than \$1,100,000, stepping up to \$1,400,000 as of fiscal year end 2016 and to \$2,000,000 as of fiscal year end 2017. To be tested annually on Review Engagement Financial Statements.

Tangible Net Worth is defined as shareholder's equity plus loans made by the shareholders to the Borrower and postponed in favour of the Bank, less loans to its shareholders, employees and other related parties and less intangible assets including without limitation, goodwill, research and development, franchises, patents and trademarks.

**EVENTS OF
DEFAULT**

The Bank may accelerate the payment of principal and interest under any committed credit facility hereunder and cancel any undrawn portion of any committed credit facility hereunder, at any time after the occurrence of any one of the Standard Events of Default contained in Schedule "A" attached hereto.

**ANCILLARY
FACILITIES**

As at the date of this Agreement, the following uncommitted ancillary products are made available. These products may be subject to other agreements.

- 1) TD Visa Business card (or cards) for an aggregate amount of \$90,000.

**AVAILABILITY OF
OPERATING LOAN**

The Operating Loan is uncommitted, made available at the Bank's discretion, and is not automatically available upon satisfaction of the terms and conditions, conditions precedent, or financial tests set out herein.

The occurrence of an Event of Default is not a precondition to the Bank's right to accelerate repayment and cancel the availability of the Operating Loan.

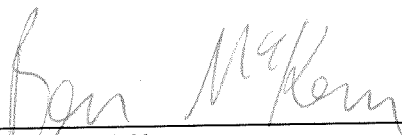
**SCHEDULE "A" -
STANDARD TERMS
AND CONDITIONS**

Schedule "A" sets out the Standard Terms and Conditions ("Standard Terms and Conditions") which apply to these credit facilities. The Standard Terms and Conditions, including the defined terms set out therein, form part of this Agreement, unless this letter states specifically that one or more of the Standard Terms and Conditions do not apply or are modified.

We trust you will find these facilities helpful in meeting your ongoing financing requirements. We ask that if you wish to accept this offer of financing (which includes the Standard Terms and Conditions), please do so by signing and returning the attached duplicate copy of this letter to the undersigned. This offer will expire if not accepted in writing and received by the Bank on or before July 06, 2016.

Yours truly,

THE TORONTO-DOMINION BANK



Benjamin McKeown
Relationship Manager



Mohammad Karim
Commercial Credit Manager

TO THE TORONTO-DOMINION BANK:

STRELLMAX LTD. hereby accepts the foregoing offer this _____ day of _____, 2____. The Borrower confirms that, except as may be set out above, the credit facility(ies) detailed herein shall not be used by or on behalf of any third party.

Signature

Print Name & Position

Signature

Print Name & Position

cc. Guarantor(s)

The Bank is providing the guarantor(s) with a copy of this letter as a courtesy only. The delivery of a copy of this letter does not create any obligation of the Bank to provide the guarantor(s) with notice of any changes to the credit facilities, including without limitation, changes to the terms and conditions, increases or decreases in the amount of the credit facilities, the establishment of new credit facilities or otherwise. The Bank may, or may not, at its option, provide the guarantor(s) with such information, provided that the Bank will provide such information upon the written request of the guarantor.

SCHEDULE A
STANDARD TERMS AND CONDITIONS

1. INTEREST RATE DEFINITIONS

Prime Rate means the rate of interest per annum (based on a 365 day year) established and reported by the Bank to the Bank of Canada from time to time as the reference rate of interest for determination of interest rates that the Bank charges to customers of varying degrees of creditworthiness in Canada for Canadian dollar loans made by it in Canada.

The Stamping Fee rate per annum for CAD\$ B/As is based on a 365 day year and the Stamping Fee is calculated on the Face Amount of each B/A presented to the Bank for acceptance. The Stamping Fee rate per annum for USD\$ B/As is based on a 360 day year and the Stamping Fee is calculated on the Face Amount of each B/A presented to the Bank for acceptance.

LIBOR means the rate of interest per annum (based on a 360 day year) as determined by the Bank (rounded upwards, if necessary to the nearest whole multiple of 1/16th of 1%) at which the Bank may make available United States dollars which are obtained by the Bank in the Interbank Euro Currency Market, London, England at approximately 11:00 a.m. (Toronto time) on the second Business Day before the first day of, and in an amount similar to, and for the period similar to the interest period of, such advance.

USBR means the rate of interest per annum (based on a 365 day year) established by the Bank from time to time as the reference rate of interest for the determination of interest rates that the Bank charges to customers of varying degrees of creditworthiness for US dollar loans made by it in Canada.

Any interest rate based on a period less than a year expressed as an annual rate for the purposes of the Interest Act (Canada) is equivalent to such determined rate multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by the number of days in the period upon which it was based.

2. INTEREST CALCULATION AND PAYMENT

Interest on Prime Based Loans and USBR Loans is calculated daily (including February 29 in a leap year) and payable monthly in arrears based on the number of days the subject loan is outstanding unless otherwise provided in the Rate and Payment Terms Notice. Interest is charged on February 29 in a leap year.

The Stamping Fee is calculated based on the amount and the term of the B/A and payable upon acceptance by the Bank of the B/A. The net proceeds received by the Borrower on a B/A advance will be equal to the Face Amount of the B/A discounted at the Bank's then prevailing B/A discount rate for CAD\$ B/As or USD\$ B/As as the case may be, for the specified term of the B/A less the B/A Stamping Fee.

Interest on LIBOR Loans is calculated and payable on the earlier of contract maturity or quarterly in arrears, for the number of days in the LIBOR interest period.

L/C and L/G fees are payable at the time set out in the Letter of Credit Indemnity Agreement applicable to the issued L/C or L/G.

Interest on Fixed Rate Term Loans is compounded monthly and payable monthly in arrears unless otherwise provided in the Rate and Payment Terms Notice.

Interest is payable both before and after maturity or demand, default and judgment.

Each payment under this Agreement shall be applied first in payment of costs and expenses, then interest and fees and the balance, if any, shall be applied in reduction of principal.

For loans not secured by real property, all overdue amounts of principal and interest and all amounts outstanding in excess of the Credit Limit shall bear interest from the date on which the same became due or from when the excess was incurred, as the case may be, until the date of payment or until the date the excess

is repaid at 21% per annum, or such lower interest rate if the Bank agrees to a lower interest rate in writing. Nothing in this clause shall be deemed to authorize the Borrower to incur loans in excess of the Credit Limit.

If any provision of this Agreement would oblige the Borrower to make any payment of interest or other amount payable to the Bank in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the Bank of "interest" at a "criminal rate" (as such terms are construed under the Criminal Code (Canada)), then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by applicable law or so result in a receipt by the Bank of "interest" at a "criminal rate", such adjustment to be effected, to the extent necessary (but only to the extent necessary), as follows: first, by reducing the amount or rate of interest, and, thereafter, by reducing any fees, commissions, costs, expenses, premiums and other amounts required to be paid to the Bank which would constitute interest for purposes of section 347 of the Criminal Code (Canada).

3. DRAWDOWN PROVISIONS

Prime Based and USBR Loans

There is no minimum amount of drawdown by way of Prime Based Loans and USBR Loans, except as stated in the section of the Agreement titled "Business Credit Services Agreement", if that section of the Agreement has not been deleted. The Borrower shall provide the Bank with 3 Business Days' notice of a requested Prime Based Loan or USBR Loan over \$1,000,000.

B/As

The Borrower shall advise the Bank of the requested term or maturity date for B/As issued hereunder. The Bank shall have the discretion to restrict the term or maturity dates of B/As. In no event shall the term of the B/A exceed the Contractual Term Maturity Date. The minimum amount of a drawdown by way of B/As is \$1,000,000 and in multiples of \$100,000 thereafter. The Borrower shall provide the Bank with 3 Business Days' notice of a requested B/A drawdown.

The Borrower shall pay to the Bank the full amount of the B/A at the maturity date of the B/A.

The Borrower appoints the Bank as its attorney to and authorizes the Bank to (i) complete, sign, endorse, negotiate and deliver B/As on behalf of the Borrower in handwritten form, or by facsimile or mechanical signature or otherwise, (ii) accept such B/As, and (iii) purchase, discount, and/or negotiate B/As.

LIBOR

The Borrower shall advise the Bank of the requested LIBOR contract maturity period. The Bank shall have the discretion to restrict the LIBOR contract maturity. In no event shall the term of the LIBOR contract exceed the Contractual Term Maturity Date. The minimum amount of a drawdown by way of a LIBOR Loan is \$1,000,000, and shall be in multiples of \$100,000 thereafter. The Borrower will provide the Bank with 3 Business Days' notice of a requested LIBOR Loan.

L/C and/or L/G

The Bank shall have the discretion to restrict the maturity date of L/Gs or L/Cs.

B/A - Prime Conversion

The Borrower will provide the Bank with at least 3 Business Days' notice of its intention either to convert a B/A to a Prime Based Loan or vice versa, failing which, the Bank may decline to accept such additional B/As or may charge interest on the amount of Prime Based Loans resulting from maturity of B/As at the rate of 115% of the rate applicable to Prime Based Loans for the 3 Business Day period immediately following such maturity. Thereafter, the rate shall revert to the rate applicable to Prime Based Loans.

Cash Management

The Bank may, and the Borrower hereby authorizes the Bank to, drawdown under the Operating Loan to satisfy any obligations of the Borrower to the Bank in connection with any cash management service provided by the Bank to the Borrower. The Bank may drawdown under the Operating Loan even if the drawdown results in amounts outstanding in excess of the Credit Limit.

Notice

Prior to each drawdown and at least 10 days prior to each Rate Term Maturity, the Borrower will advise the Bank of its selection of drawdown options from those made available by the Bank. The Bank will, after each drawdown, other than drawdowns by way of BA, LIBOR Loan or under the operating loan, send a Rate and Payment Terms Notice to the Borrower.

4. PREPAYMENT**Fixed Rate Term Loans****10% Prepayment Option Chosen.**

- (a) Once, each calendar year, ("Year"), the Borrower may, provided that an Event of Default has not occurred, prepay in one lump sum, an amount of principal outstanding under a Fixed Rate Term Loan not exceeding 10% of the original amount of the Fixed Rate Term Loan, upon payment of all interest accrued to the date of prepayment without paying any prepayment charge. If the prepayment privilege is not used in one Year, it cannot be carried forward and used in a later Year.
- (b) Provided that an Event of Default has not occurred, the Borrower may prepay more than 10% of the original amount of a Fixed Rate Term Loan in any Year, upon payment of all interest accrued to the date of prepayment and an amount equal to the greater of:
- i) three months' interest on the amount of the prepayment (the amount of prepayment is the amount of prepayment exceeding the 10% limit described in Section 4(a)) using the interest rate applicable to the Fixed Rate Term Loan being prepaid; and
 - ii) the Interest Rate Differential, being the amount by which:
 - a. the total amount of interest on the amount of the prepayment (the amount of prepayment is the amount of prepayment exceeding the 10% limit described in Section 4(a)) using the interest rate applicable to the Fixed Rate Term Loan being prepaid calculated for the period of time from the prepayment date until the Rate Term Maturity Date for the Fixed Rate Term Loan being prepaid (the "Remaining Term"), exceeds
 - b. the total amount of interest on the amount of the prepayment (the amount of prepayment is the amount of prepayment exceeding the 10% limit described in Section 4(a)) using the interest rate applicable to a fixed rate term loan that the Bank would make to a borrower for a comparable facility on the prepayment date, calculated for the Remaining Term.

10% Prepayment Option Not Chosen.

- (c) The Borrower may, provided that an Event of Default has not occurred, prepay all or any part of the principal then outstanding under a Fixed Rate Term Loan upon payment of all interest accrued to the date of prepayment and an amount equal to the greater of:
- i) three months' interest on the amount of the prepayment using the interest rate applicable to the Fixed Rate Term Loan being prepaid; and
 - ii) the Interest Rate Differential, being the amount by which:

- a. the total amount of interest on the amount of the prepayment using the interest rate applicable to the Fixed Rate Term Loan being prepaid calculated for the period of time from the prepayment date until the Rate Term Maturity Date for the Fixed Rate Term Loan being prepaid (the "Remaining Term"), exceeds
- b. the total amount of interest on the amount of the prepayment using the interest rate applicable to a fixed rate term loan that the Bank would make to a borrower for a comparable facility on the prepayment date, calculated for the Remaining Term.

Floating Rate Term Loans

The Borrower may prepay the whole or any part of the principal outstanding under a Floating Rate Term Loan, at any time without the payment of prepayment charges.

5. STANDARD DISBURSEMENT CONDITIONS

The obligation of the Bank to permit any drawdowns hereunder at any time is subject to the following conditions precedent:

- a) The Bank shall have received the following documents which shall be in form and substance satisfactory to the Bank:
 - i) A copy of a duly executed resolution of the Board of Directors of the Borrower empowering the Borrower to enter into this Agreement;
 - ii) A copy of any necessary government approvals authorizing the Borrower to enter into this Agreement;
 - iii) All of the Bank Security and supporting resolutions and solicitors' letter of opinion required hereunder;
 - iv) The Borrower's compliance certificate certifying compliance with all terms and conditions hereunder;
 - v) all operation of account documentation; and
 - vi) For drawdowns under the Facility by way of L/C or L/G, the Bank's standard form Letter of Credit Indemnity Agreement
- b) The representations and warranties contained in this Agreement are correct.
- c) No event has occurred and is continuing which constitutes an Event of Default or would constitute an Event of Default, but for the requirement that notice be given or time elapse or both.
- d) The Bank has received the arrangement fee payable hereunder (if any) and the Borrower has paid all legal and other expenses incurred by the Bank in connection with the Agreement or the Bank Security.

6. STANDARD REPRESENTATIONS AND WARRANTIES

The Borrower hereby represents and warrants, which representations and warranties shall be deemed to be continually repeated so long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, that:

- a) The Borrower is a duly incorporated corporation, a limited partnership, partnership, or sole proprietorship, duly organized, validly existing and in good standing under the laws of the jurisdiction where the Branch/Centre is located and each other jurisdiction where the Borrower has property or assets or carries on business and the Borrower has adequate corporate power and authority to carry on its business, own property, borrow monies and enter into agreements therefore, execute and deliver the Agreement, the Bank Security, and documents required hereunder, and observe and perform the terms and provisions of this Agreement.
- b) There are no laws, statutes or regulations applicable to or binding upon the Borrower and no provisions in its charter documents or in any by-laws, resolutions, contracts, agreements, or arrangements which would be contravened, breached, violated as a result of the execution, delivery, performance, observance, of any terms of this Agreement.

- c) No Event of Default has occurred nor has any event occurred which, with the passage of time or the giving of notice, would constitute an Event of Default under this Agreement or which would constitute a default under any other agreement.
- d) There are no actions, suits or proceedings, including appeals or applications for review, or any knowledge of pending actions, suits, or proceedings against the Borrower and its subsidiaries, before any court or administrative agency which would result in any material adverse change in the property, assets, financial condition, business or operations of the Borrower.
- e) All material authorizations, approvals, consents, licenses, exemptions, filings, registrations and other requirements of governmental, judicial and public bodies and authorities required to carry on its business have been or will be obtained or effected and are or will be in full force and effect.
- f) The financial statements and forecasts delivered to the Bank fairly present the present financial position of the Borrower, and have been prepared by the Borrower and its auditors in accordance with the International Financial Reporting Standards or GAAP for Private Enterprises.
- g) All of the remittances required to be made by the Borrower to the federal government and all provincial and municipal governments have been made, are currently up to date and there are no outstanding arrears. Without limiting the foregoing, all employee source deductions (including income taxes, Employment Insurance and Canada Pension Plan), sales taxes (both provincial and federal), corporate income taxes, corporate capital taxes, payroll taxes and Workers' Compensation dues are currently paid and up to date.
- h) All information that the Borrower has provided to the Bank is accurate and complete respecting, where applicable:
 - i) the names of the Borrower's directors and the names and addresses of the Borrower's beneficial owners;
 - ii) the names and addresses of the Borrower's trustees, known beneficiaries and/or settlors; and
 - iii) the Borrower's ownership, control and structure.

7. STANDARD POSITIVE COVENANTS

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will, and will ensure that its subsidiaries and each of the Guarantors will:

- a) Pay all amounts of principal, interest and fees on the dates, times and place specified herein, under the Rate and Payment Terms Notice, and under any other agreement between the Bank and the Borrower.
- b) Advise the Bank of any change in the amount and the terms of any credit arrangement made with other lenders or any action taken by another lender to recover amounts outstanding with such other lender.
- c) Advise promptly after the happening of any event which will result in a material adverse change in the financial condition, business, operations, or prospects of the Borrower or the occurrence of any Event of Default or default under this Agreement or under any other agreement for borrowed money.
- d) Do all things necessary to maintain in good standing its corporate existence and preserve and keep all material agreements, rights, franchises, licenses, operations, contracts or other arrangements in full force and effect.
- e) Take all necessary actions to ensure that the Bank Security and its obligations hereunder will rank ahead of all other indebtedness of and all other security granted by the Borrower.
- f) Pay all taxes, assessments and government charges unless such taxes, assessments, or charges are being contested in good faith and appropriate reserves shall be made with funds set aside in a separate trust fund.
- g) Provide the Bank with information and financial data as it may request from time to time, including, without limitation, such updated information and/or additional supporting information as the Bank may require with respect to any or all the matters in the Borrower's representation and warranty in Section 6(h).
- h) Maintain property, plant and equipment in good repair and working condition.

- i) Inform the Bank of any actual or probable litigation and furnish the Bank with copies of details of any litigation or other proceedings, which might affect the financial condition, business, operations, or prospects of the Borrower.
- j) Provide such additional security and documentation as may be required from time to time by the Bank or its solicitors.
- k) Continue to carry on the business currently being carried on by the Borrower its subsidiaries and each of the Guarantors at the date hereof.
- l) Maintain adequate insurance on all of its assets, undertakings, and business risks.
- m) Permit the Bank or its authorized representatives full and reasonable access to its premises, business, financial and computer records and allow the duplication or extraction of pertinent information therefrom and
- n) Comply with all applicable laws.

8. STANDARD NEGATIVE COVENANTS

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will not and will ensure that its subsidiaries and each of the Guarantors will not:

- a) Create, incur, assume, or suffer to exist, any mortgage, deed of trust, pledge, lien, security interest, assignment, charge, or encumbrance (including without limitation, any conditional sale, or other title retention agreement, or finance lease) of any nature, upon or with respect to any of its assets or undertakings, now owned or hereafter acquired, except for those Permitted Liens, if any, set out in the Letter.
- b) Create, incur, assume or suffer to exist any other indebtedness for borrowed money (except for indebtedness resulting from Permitted Liens, if any) or guarantee or act as surety or agree to indemnify the debts of any other Person.
- c) Merge or consolidate with any other Person, or acquire all or substantially all of the shares, assets or business of any other Person.
- d) Sell, lease, assign, transfer, convey or otherwise dispose of any of its now owned or hereafter acquired assets (including, without limitation, shares of stock and indebtedness of subsidiaries, receivables and leasehold interests), except for inventory disposed of in the ordinary course of business.
- e) Terminate or enter into a surrender of any lease of any property mortgaged under the Bank Security.
- f) Cease to carry on the business currently being carried on by each of the Borrower, its subsidiaries, and the Guarantors at the date hereof.
- g) Permit any change of ownership or change in the capital structure of the Borrower.

9. ENVIRONMENTAL

The Borrower represents and warrants (which representation and warranty shall continue throughout the term of this Agreement) that the business of the Borrower, its subsidiaries and each of the Guarantors is being operated in compliance with applicable laws and regulations respecting the discharge, omission, spill or disposal of any hazardous materials and that any and all enforcement actions in respect thereto have been clearly conveyed to the Bank.

The Borrower shall, at the request of the Bank from time to time, and at the Borrower's expense, obtain and provide to the Bank an environmental audit or inspection report of the property from auditors or inspectors acceptable to the Bank.

The Borrower hereby indemnifies the Bank, its officers, directors, employees, agents and shareholders, and agrees to hold each of them harmless from all loss, claims, damages and expenses (including legal and audit expenses) which may be suffered or incurred in connection with the indebtedness under this Agreement or in connection with the Bank Security.

10. STANDARD EVENTS OF DEFAULT

The Bank may accelerate the payment of principal and interest under any committed credit facility hereunder and cancel any undrawn portion of any committed credit facility hereunder, at any time after the occurrence of any one of the following Events of Default:

- a) Non-payment of principal outstanding under this Agreement when due or non-payment of interest or fees outstanding under this Agreement within 3 Business Days of when due.
- b) If any representation, warranty or statement made hereunder or made in connection with the execution and delivery of this Agreement or the Bank Security is false or misleading at any time.
- c) If any representation or warranty made or information provided by the Guarantor to the Bank from time to time, including without limitation, under or in connection with the Personal Financial Statement and Privacy Agreement provided by the Guarantor, is false or misleading at any time.
- d) If there is a breach or non-performance or non-observance of any term or condition of this Agreement or the Bank Security and, if such default is capable to being remedied, the default continues unremedied for 5 Business Days after the occurrence.
- e) If the Borrower, any one of its subsidiaries, or, if any of the Guarantors makes a general assignment for the benefit of creditors, files or presents a petition, makes a proposal or commits any act of bankruptcy, or if any action is taken for the winding up, liquidation or the appointment of a liquidator, trustee in bankruptcy, custodian, curator, sequestrator, receiver or any other officer with similar powers or if a judgment or order shall be entered by any court approving a petition for reorganization, arrangement or composition of or in respect of the Borrower, any of its subsidiaries, or any of the Guarantors or if the Borrower, any of its subsidiaries, or any of the Guarantors is insolvent or declared bankrupt.
- f) If there exists a voluntary or involuntary suspension of business of the Borrower, any of its subsidiaries, or any of the Guarantors.
- g) If action is taken by an encumbrancer against the Borrower, any of its subsidiaries, or any of the Guarantors to take possession of property or enforce proceedings against any assets.
- h) If any final judgment for the payment of monies is made against the Borrower, any of its subsidiaries, or any of the Guarantors and it is not discharged within 30 days from the imposition of such judgment.
- i) If there exists an event, the effect of which with lapse of time or the giving of notice, will constitute an event of default or a default under any other agreement for borrowed money in excess of the Cross Default Threshold entered into by the Borrower, any of its subsidiaries, or any of the Guarantors.
- j) If the Borrower, any one of its subsidiaries, or any of the Guarantors default under any other present or future agreement with the Bank or any of the Bank's subsidiaries, including without limitation, any other loan agreement, forward foreign exchange transactions, interest rate and currency and/or commodity swaps.
- k) If the Bank Security is not enforceable or if any party to the Bank Security shall dispute or deny any liability or any of its obligations under the Bank Security, or if any Guarantor terminates a guarantee in respect of future advances.
- l) If, in the Bank's determination, a material adverse change occurs in the financial condition, business operations or prospects of the Borrower, any of the Borrower's subsidiaries, or any of the Guarantors.

11. ACCELERATION

If the Bank accelerates the payment of principal and interest hereunder, the Borrower shall immediately pay to the Bank all amounts outstanding hereunder, including without limitation, the amount of unmatured B/As and LIBOR Loans and the amount of all drawn and undrawn L/Gs and L/Cs. All cost to the Bank of unwinding LIBOR Loans and all loss suffered by the Bank in re-employing amounts repaid will be paid by the Borrower.

The Bank may demand the payment of principal and interest under the Operating Loan (and any other uncommitted facility) hereunder and cancel any undrawn portion of the Operating Loan (and any other uncommitted facility) hereunder, at any time whether or not an Event of Default has occurred.

12. CURRENCY INDEMNITY

USD\$ loans must be repaid with USD\$ and CAD\$ loans must be repaid with CAD\$ and the Borrower shall indemnify the Bank for any loss suffered by the Bank if USD\$ loans are repaid with CAD\$ or vice versa, whether such payment is made pursuant to an order of a court or otherwise.

13. TAXATION ON PAYMENTS

All payments made by the Borrower to the Bank will be made free and clear of all present and future taxes (excluding the Bank's income taxes), withholdings or deductions of whatever nature. If these taxes, withholdings or deductions are required by applicable law and are made, the Borrower, shall, as a separate and independent obligation, pay to the Bank all additional amounts as shall fully indemnify the Bank from any such taxes, withholdings or deductions.

14. REPRESENTATION

No representation or warranty or other statement made by the Bank concerning any of the credit facilities shall be binding on the Bank unless made by it in writing as a specific amendment to this Agreement.

15. CHANGING THE AGREEMENT

- a) The Bank may, from time to time, unilaterally change the provisions of this Agreement where (i) the provisions of the Agreement relate to the Operating Loan (and any other uncommitted facility) or (ii) such change is for the benefit of the Borrower, or made at the Borrower's request, including without limitation, decreases to fees or interest payable hereunder or (iii) where such change makes compliance with this Agreement less onerous to the Borrower, including without limitation, release of security. These changes can be made by the Bank providing written notice to the Borrower of such changes in the form of a specific waiver or a document constituting an amending agreement. The Borrower is not required to execute such waiver or amending agreement, unless the Bank requests the Borrower to sign such waiver or amending agreement. A change in the Prime Rate and USBR is not an amendment to the terms of this Agreement that requires notification to be provided to the Borrower.
- b) Changes to the Agreement, other than as described in a) above, including changes to covenants and fees payable by the Borrower, are required to be agreed to by the Bank and the Borrower in writing, by the Bank and the Borrower each signing an amending agreement.
- c) The Bank is not required to notify a Guarantor of any change in the Agreement, including any increase in the Credit Limit.

16. ADDED COST

If the introduction of or any change in any present or future law, regulation, treaty, official or unofficial directive, or regulatory requirement, (whether or not having the force of law) or in the interpretation or application thereof, relates to:

- i) the imposition or exemption of taxation of payments due to the Bank or on reserves or deemed reserves in respect of the undrawn portion of any Facility or loan made available hereunder; or,
- ii) any reserve, special deposit, regulatory or similar requirement against assets, deposits, or loans or other acquisition of funds for loans by the Bank; or,
- iii) the amount of capital required or expected to be maintained by the Bank as a result of the existence of the advances or the commitment made hereunder;

and the result of such occurrence is, in the sole determination of the Bank, to increase the cost of the Bank or to reduce the income received or receivable by the Bank hereunder, the Borrower shall, on demand by the Bank, pay to the Bank that amount which the Bank estimates will compensate it for such additional cost or reduction in income and the Bank's estimate shall be conclusive, absent manifest error.

17. EXPENSES

The Borrower shall pay, within 5 Business Days following notification, all fees and expenses (including but not limited to all legal fees) incurred by the Bank in connection with the preparation, registration and ongoing administration of this Agreement and the Bank Security and with the enforcement of the Bank's rights and remedies under this Agreement and the Bank Security whether or not any amounts are advanced under the Agreement. These fees and expenses shall include, but not be limited, to all outside counsel fees and expenses and all in-house legal fees and expenses, if in-house counsel are used, and all outside professional advisory fees and expenses. The Borrower shall pay interest on unpaid amounts due pursuant to this paragraph at the All-In Rate plus 2% per annum.

Without limiting the generality of Section 24, the Bank or its agent, is authorized to debit any of the Borrower's accounts with the amount of the fees and expenses owed by the Borrower hereunder, including the registration fee in connection with the Bank Security, even if that debiting creates an overdraft in any such account. If there are insufficient funds in the Borrower's accounts to reimburse the Bank or its agent for payment of the fees and expenses owed by the Borrower hereunder, the amount debited to the Borrower's accounts shall be deemed to be a Prime Based Loan under the Operating Loan.

The Borrower will, if requested by the Bank, sign a Pre-Authorized Payment Authorization in a format acceptable to the Bank to permit the Bank's agent to debit the Borrower's accounts as contemplated in this Section.

18. NON WAIVER

Any failure by the Bank to object to or take action with respect to a breach of this Agreement or any Bank Security or upon the occurrence of an Event of Default shall not constitute a waiver of the Bank's right to take action at a later date on that breach. No course of conduct by the Bank will give rise to any reasonable expectation which is in any way inconsistent with the terms and conditions of this Agreement and the Bank Security or the Bank's rights thereunder.

19. EVIDENCE OF INDEBTEDNESS

The Bank shall record on its records the amount of all loans made hereunder, payments made in respect thereto, and all other amounts becoming due to the Bank under this Agreement. The Bank's records constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to the Bank pursuant to this Agreement.

The Borrower will sign the Bank's standard form Letter of Credit Indemnity Agreement for all L/Cs and L/Gs issued by the Bank.

With respect to chattel mortgages taken as Bank Security, this Agreement is the Promissory Note referred to in same chattel mortgage, and the indebtedness incurred hereunder is the true indebtedness secured by the chattel mortgage.

20. ENTIRE AGREEMENTS

This Agreement replaces any previous letter agreements dealing specifically with terms and conditions of the credit facilities described in the Letter. Agreements relating to other credit facilities made available by the Bank continue to apply for those other credit facilities. This Agreement, and if applicable, the Letter of Credit Indemnity Agreement, are the entire agreements relating to the Facilities described in this Agreement.

21. ASSIGNMENT

The Bank may assign or grant participation in all or part of this Agreement or in any loan made hereunder without notice to and without the Borrower's consent.

The Borrower may not assign or transfer all or any part of its rights or obligations under this Agreement.

22. RELEASE OF INFORMATION

The Borrower hereby irrevocably authorizes and directs the Borrower's accountant, (the "Accountant") to deliver all financial statements and other financial information concerning the Borrower to the Bank and agrees that the Bank and the Accountant may communicate directly with each other.

23. FX CLOSE OUT

The Borrower hereby acknowledges and agrees that in the event any of the following occur: (i) Default by the Borrower under any forward foreign exchange contract ("FX Contract"); (ii) Default by the Borrower in payment of monies owing by it to anyone, including the Bank; (iii) Default in the performance of any other obligation of the Borrower under any agreement to which it is subject; or (iv) the Borrower is adjudged to be or voluntarily becomes bankrupt or insolvent or admits in writing to its inability to pay its debts as they come due or has a receiver appointed over its assets, the Bank shall be entitled without advance notice to the Borrower to close out and terminate all of the outstanding FX Contracts entered into hereunder, using normal commercial practices employed by the Bank, to determine the gain or loss for each terminated FX contract. The Bank shall then be entitled to calculate a net termination value for all of the terminated FX Contracts which shall be the net sum of all the losses and gains arising from the termination of the FX Contracts which net sum shall be the "Close Out Value" of the terminated FX Contracts. The Borrower acknowledges that it shall be required to forthwith pay any positive Close Out Value owing to the Bank and the Bank shall be required to pay any negative Close Out Value owing to the Borrower, subject to any rights of set-off to which the Bank is entitled or subject.

24. SET-OFF

In addition to and not in limitation of any rights now or hereafter granted under applicable law, the Bank may at any time and from time to time without notice to the Borrower or any other Person, any notice being expressly waived by the Borrower, set-off and compensate and apply any and all deposits, general or special, time or demand, provisional or final, matured or unmatured, in any currency, and any other indebtedness or amount payable by the Bank (irrespective of the place of payment or booking office of the obligation), to or for the credit of or for the Borrower's account, including without limitation, any amount owed by the Bank to the Borrower under any FX Contract or other treasury or derivative product, against and on account of the indebtedness and liability under this Agreement notwithstanding that any of them are contingent or unmatured or in a different currency than the indebtedness and liability under this Agreement.

When applying a deposit or other obligation in a different currency than the indebtedness and liability under this Agreement to the indebtedness and liability under this Agreement, the Bank will convert the deposit or other obligation to the currency of the indebtedness and liability under this Agreement using the Bank's noon spot rate of exchange for the conversion of such currency.

25. LIMITATION ACT

The Borrower and the Bank hereby agree that the limitation period for commencement of any court action or proceeding against the Borrower with respect to demand loans shall be six (6) years rather than the period of time that is set out in the applicable limitation legislation.

26. SEVERABILITY

In the event any one or more of the provisions of this Agreement shall for any reason, including under any applicable statute or rule of law, be held to be invalid, illegal or unenforceable, that part will be severed from this Agreement and will not affect the enforceability of the remaining provisions of this Agreement, which shall remain in full force and effect.

27. MISCELLANEOUS

- i) The Borrower has received a signed copy of this Agreement;
- ii) If more than one Person, firm or corporation signs this Agreement as the Borrower, each party is jointly and severally liable hereunder, and the Bank may require payment of all amounts payable under this Agreement from any one of them, or a portion from each, but the Bank is released from any of its obligations by performing that obligation to any one of them. Each Borrower hereby acknowledges that each Borrower is an agent of each other Borrower and payment by any Borrower hereunder shall be deemed to be payment by the Borrower making the payment and by each other Borrower. Each payment, including interest payments, made will constitute an acknowledgement of the indebtedness and liability hereunder by each Borrower;
- iii) Accounting terms will (to the extent not defined in this Agreement) be interpreted in accordance with accounting principles established from time to time by the Canadian Institute of Chartered Accountants (or any successor) consistently applied, and all financial statements and information provided to the Bank will be prepared in accordance with those principles;

- iv) This Agreement is governed by the law of the Province or Territory where the Branch/Centre is located.
- v) Unless stated otherwise, all amounts referred to herein are in Canadian dollars

28. DEFINITIONS

Capitalized Terms used in this Agreement shall have the following meanings:

"All-In Rate" means the greater of the Interest Rate that the Borrower pays for Prime Based Loans (which for greater certainty includes the percent per annum added to the Prime Rate) or the highest fixed rate paid for Fixed Rate Term Loans.

"Agreement" means the agreement between the Bank and the Borrower set out in the Letter and this Schedule "A" - Standard Terms and Conditions.

"Business Day" means any day (other than a Saturday or Sunday) that the Branch/Centre is open for business.

"Branch/Centre" means The Toronto-Dominion Bank branch or banking centre noted on the first page of the Letter, or such other branch or centre as may from time to time be designated by the Bank.

"Contractual Term Maturity Date" means the last day of the Contractual Term period. If the Letter does not set out a specific Contractual Term period but rather refers to a period of time up to which the Contractual Term Maturity Date can occur, the Bank and the Borrower must agree on a Contractual Term Maturity Date before first drawdown, which Contractual Term Maturity Date will be set out in the Rate and Payments Terms Notice.

"Cross Default Threshold" means the cross default threshold set out in the Letter. If no such cross default threshold is set out in the Letter it will be deemed to be zero.

"Face Amount" means, in respect of:

- (i) a B/A, the amount payable to the holder thereof on its maturity;
- (ii) A L/C or L/G, the maximum amount payable to the beneficiary specified therein or any other Person to whom payments may be required to be made pursuant to such L/C or L/G.

"Fixed Rate Term Loan" means any drawdown in Canadian dollars under a Credit Facility at an interest rate which is fixed for a Rate Term at such rate as is determined by the Bank as its sole discretion.

"Inventory Value" means, at any time of determination, the total value (based on the lower of cost or market) of the Borrower's inventories that are subject to the Bank Security (other than (i) those inventories supplied by trade creditors who at that time have not been fully paid and would have a right to repossess all or part of such inventories if the Borrower were then either bankrupt or in receivership, (ii) those inventories comprising work in process and (iii) those inventories that the Bank may from time to time designate in its sole discretion) minus the total amount of any claims, liens or encumbrances on those inventories having or purporting to have priority over the Bank.

"Letter" means the letter from the Bank to the Borrower to which this Schedule "A" - Standard Terms and Conditions is attached.

"Letter of Credit" or "L/C" means a documentary letter of credit or similar instrument in form and substance satisfactory to the Bank.

"Letter of Guarantee" or "L/G" means a stand-by letter of guarantee or similar instrument in form and substance satisfactory to the Bank.

"Person" includes any individual, sole proprietorship, corporation, partnership, joint venture, trust, unincorporated association, association, institution, entity, party, or government (whether national, federal, provincial, state, municipal, city, county, or otherwise and including any instrumentality, division, agency, body, or department thereof).

"Purchase Money Security Interest" means a security interest on equipment which is granted to a lender or to the seller of such equipment in order to secure the purchase price of such equipment or a loan to acquire such equipment, provided that the amount secured by the security interest does not exceed the cost of the equipment, the Borrower provides written notice to the Bank prior to the creation of the security interest, and the creditor under the security interest has, if requested by the Bank, entered into an inter-creditor agreement with the Bank, in a format acceptable to the Bank.

"Rate Term" means that period of time as selected by the Borrower from the options offered to it by the Bank, during which a Fixed Rate Term Loan will bear a particular interest rate. If no Rate Term is selected, the Borrower will be deemed to have selected a Rate Term of 1 year.

"Rate Term Maturity" means the last day of a Rate Term which day may never exceed the Contractual Term Maturity Date.

"Rate and Payment Terms Notice" means the notice sent by the Bank setting out the interest rate and payment terms for a particular drawdown.

"Receivable Value" means, at any time of determination, the total value of those of the Borrower's trade accounts receivable that are subject to the Bank Security other than (i) those accounts then outstanding for 90 days, (ii) those accounts owing by Persons, firms or corporations affiliated with the Borrower, (iii) those accounts that the Bank may from time to time designate in its sole discretion, (iv) those accounts subject to any claim, liens, or encumbrance having or purporting to have priority over the Bank, (v) those accounts which are subject to a claim of set-off by the obligor under such account, MINUS the total amount of all claims, liens, or encumbrances on those receivables having or purporting to have priority over the Bank.

"Receivables/Inventory Summary" means a summary of the Borrower's trade account receivables and inventories, in form as the Bank may require and certified by a senior officer/representative of the Borrower.

"USD\$ Equivalent" means, on any date, the equivalent amount in United States Dollars after giving effect to a conversion of a specified amount of Canadian Dollars to United States Dollars at the Bank's noon spot rate of exchange for Canadian Dollars to United States Dollars established by the Bank for the day in question.



Midtown
 2 St Clair Ave E Suite 500
 Toronto, ON
 M4T 2T5
 Telephone No.: (416) 944 4041
 Fax No.: (416) 961 3124

December 06, 2016

STRELLMAX LTD.
 3725 Chesswood Drive
 Toronto ON M3J 2P6

Attention: Mr. Mark Altow

Dear Mr. Altow,

The following amending agreement (the "Amending Agreement") amends the terms and conditions of the credit facilities (the "Facilities") provided to the Borrower pursuant to the Agreement dated June 06, 2016 and the subsequent Amending Agreement June 30, 2016.

BORROWER

STRELLMAX LTD.

(the "Borrower")

LENDER

The Toronto-Dominion Bank (the "Bank"), through its Midtown branch, in Toronto, ON.

CREDIT LIMIT

- 1) Ensure outstanding advances including the face amount of any outstanding undrawn L/Cs, L/Gs, will be at all times the lesser of:
 - a) CAD\$2,700,000 AND
 - b) the TOTAL of:
 - (i) 85% of the Receivable value insured by Accord Financial Agreement net of over 90 day accounts, contras, related accounts and average annual returns and rebates and
 - (ii) 75% of un-insured Accounts Receivables net of over 90 day accounts, contras, related accounts and average annual returns and rebates plus
 - (iii) 50% of Inventory value (net of under 30-day trade payables) up to a maximum of CDN\$1,000,000 less three months' rent for the warehouse at 3725 Chesswood Drive, Toronto amounting to \$32,000, plus

1

Internal

- (iv) USD balances at TD account#7309538-1284 plus
- (v) \$500,000 allowance against collateral mortgage of residential property.

AMENDMENT FEE

CAD\$1,000 One time.

SECURITY

The following security has been added:

- i) Continuing Collateral Mortgage, representing a Second charge, on real property located at 29 Ridge Hill Drive, Toronto, Ontario in the principal amount of CAD \$500,000, beneficially owned by and registered in the name of FRANCES R ALTOW and MARK A ALTOW. - **To be obtained**
- j) Joint and Several Guarantee of Advances for CAD \$500,000 executed by MARK A. ALTOW and FRANCES R ALTOW (the "Guarantor") in favour of Strellmax Ltd. – **To be obtained.**

All other terms and conditions established in the Loan Agreement dated June 6, 2016 and subsequent Amending Agreement dated June 30, 2016 continue to apply.

ACCURACY OF INFORMATION

The Borrower hereby represents and warrants that all information that it has provided to the Bank is accurate and complete respecting, where applicable:

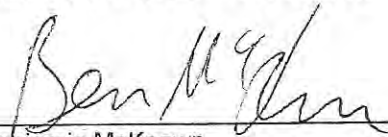
- (i) the names of the Borrower's directors and the names and addresses of the Borrower's beneficial owners;
- (ii) the names and addresses of the Borrower's trustees, known beneficiaries and/or settlors; and
- (iii) the Borrower's ownership, control and structure.

The Borrower will provide, or cause to be provided, such updated information and/or additional supporting information as the Bank may require from time to time with respect to any or all the matters in the Borrower's foregoing representation and warranty.

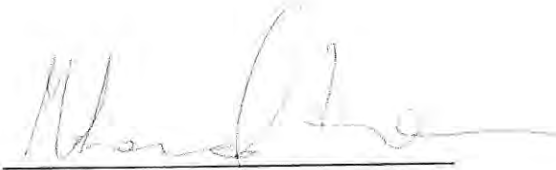
We trust you will find these facilities helpful in meeting your ongoing financing requirements. We ask that if you wish to accept this offer of financing (which includes the Standard Terms and Conditions), please do so by signing and returning the attached duplicate copy of this letter to the undersigned. This offer will expire if not accepted in writing and received by the Bank on or before January 06, 2017.

Yours truly,

THE TORONTO-DOMINION BANK



Benjamin McKeown
Relationship Manager



Mohammad Karim
Commercial Credit Manager

cc. Guarantor(s)

The Bank is providing the guarantor(s) with a copy of this letter as a courtesy only. The delivery of a copy of this letter does not create any obligation of the Bank to provide the guarantor(s) with notice of any changes to the credit facilities, including without limitation, changes to the terms and conditions, increases or decreases in the amount of the credit facilities, the establishment of new credit facilities or otherwise. The Bank may, or may not, at its option, provide the guarantor(s) with such information, provided that the Bank will provide such information upon the written request of the guarantor.

TO THE TORONTO-DOMINION BANK:

STRELLMAX LTD. hereby accepts the foregoing offer this 21st day of December
2016. The Borrower confirms that, except as may be set out above, the credit facilities
detailed herein shall not be used by or on behalf of any third party.



Signature

MARK ALTOW, President & CEO
Print Name & Position



Signature

VP, Finance
Print Name & Position

EXHIBIT

C

This is **Exhibit “C”** referred to in the
Affidavit of Marcel Braun sworn before me
this 30th day of June, 2017



A commissioner for taking affidavits

**Mark Graham McAuley, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires May 8, 2020.**

ASSIGNMENT AGREEMENT

THIS ASSIGNMENT AGREEMENT (the “**Assignment**”) dated as of the 30th day of June, 2017,

BETWEEN:

THE TORONTO-DOMINION BANK
(the “**Assignor**”)

AND:

STRELLSON AG
(the “**Assignee**” and, together with the Assignor, the “**Parties**” and, individually, each a “**Party**”)

RECITALS:

- A. **WHEREAS** Strellmax Ltd., as borrower (the “**Debtor**”), Mark Altow and Frances Altow, as guarantors (the “**Guarantors**”), and the Assignor, as lender (the “**Lender**”), entered into a credit agreement dated June 6, 2016, as amended by amending agreements dated as of June 30, 2016, December 6, 2016, and as further amended from time to time (collectively, the “**Credit Agreement**”);
- B. **AND WHEREAS**, as of June 30, 2017, the outstanding amount owing by the Debtor to the Assignor under the Credit Agreement **CAD \$3,699,310.33** (the “**Payout Amount**”), inclusive of accrued interest, fees, expenses and other amounts. The Payout Amount is outlined in more detail in Schedule “**A**”, attached hereto;
- C. **AND WHEREAS** Adamray Investments Inc. is a creditor of the Debtor and has registered against the Debtor pursuant to the *Personal Property Security Act* (Ontario) (the “**PPSA**”);
- D. **AND WHEREAS** the Assignor wishes to assign the Assigned Interest (as defined below) to the Assignee, and the Assignee wishes to purchase the Assigned Interest from the Assignor, pursuant to the terms and conditions hereof.

NOW THEREFORE for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Parties, the Parties each hereby covenant and agree as follows:

1. **Assignment**

Upon receipt of (i) a fully-executed copy of this Assignment, (ii) payment by the Assignee to the Assignor of the Payout Amount, which shall be paid in accordance with the wire transfer details on Schedule “**B**”, attached hereto and received by the Assignor before 5:00 p.m. on the date of this Assignment (the “**Closing Date**”); (iii) certified funds representing the Cash Collateral (as hereafter defined); (iv) an original executed assignment of term deposits and credit balances on the Assignor’s standard form (the “**Cash Collateral Agreement**”); (v) an original executed Blocked Accounts Agreement on the Assignor’s standard form; and (vi) an original executed acknowledgment and postponement agreement on the Assignor’s standard form delivered from Adamray Investments Inc. (collectively, the “**Payout Conditions**”), the Assignor hereby irrevocably sells and assigns to the

Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, as of the date hereof (a) the indebtedness owing from the Debtor to the Assignor, (b) all of the Assignor's rights and obligations as lender under the Credit Agreement and any other documents or instruments delivered to the Assignor pursuant thereto, as set out on Schedule "C" (collectively, the "**Loan Documents**"), (c) the second ranking collateral charge in the principal amount of \$500,000 granted by Mark and Frances Altow over 29 Ridge Hill Drive, Toronto in favour of the Assignor, and (d) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor against any person, whether known or unknown, arising under or in connection with the Credit Agreement, any other Loan Documents or the transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (a) above (the rights and obligations sold and assigned pursuant to clauses (a) - (d) above being referred to herein collectively as, the "**Assigned Interest**"); provided that, any rights, remedies, claims, suits, causes of action or other benefits forming part of the Assigned Interest may be enforced by the Assignee in the name of the Assignee only and not in the name of the Assignor.

For greater certainty, the Assigned Interest does not include the (i) the TD Visa Business Card(s) that the Debtor will continue to hold after the date of this Assignment with the aggregate authorized amount of \$65,000 (the "**Visa Cards**") and any documentation held by the Assignor with respect thereto; (ii) the cash collateral securing the Visa Cards in the amount of \$71,500 (the "**Cash Collateral**"); (iii) the Cash Collateral Agreement; or (iv) the Maintained Registration (as defined below).

The Parties hereto agree that the Debtor shall maintain its current accounts with the Assignor (the "**Accounts**" or each, an "**Account**"). The Parties hereby acknowledge and agree that any cheques deposited in an Account shall be subject to a hold to the maximum of five (5) business days in order to certify cleared funds, until the Activation Date, as defined in the Blocked Accounts Agreement to be delivered by the Assignee and Debtor to the Assignor.

PPSA Registrations

The parties hereto acknowledge and agree that the Assignor shall maintain its registration numbered 726560802 under the PPSA as against the Debtor (together, the "**Maintained Registration**"). For greater certainty, the Assignor shall maintain the Maintained Registration only to secure the Cash Collateral and Cash Collateral Agreement, as may be amended from time to time.

Immediately following satisfaction of the Payout Conditions, the Assignee, Assignor, the Debtor, or any of their respective counsel or agents, shall effect, at the expense of the Debtor, an amendment of the Maintained Registration to remove Frances and Mark Altow Family Trust as a debtor.

The Maintained Registration will not be used or relied upon by the Assignor to perfect any security interest granted by the Debtor after the date of this Agreement, unless otherwise agreed to by Assignor, Assignee and Debtor. Any security interest perfected by the Maintained Registration does not and will not extend to any personal property of the Debtor other than the Cash Collateral.

The Assignor hereby irrevocably authorizes the Assignee, Assignor, the Debtor, or any of their respective counsel or agents, at the expense of the Debtor, to assign all registrations with respect to the Assigned Interest (the "**Assigned Registrations**") filed in favour of the Assignor to the Assignee. A chart outlining the Assigned Registrations and Maintained Registration is attached as Schedule "**D**".

2. Priorities

The Assignor and Assignee hereby agree that the Assignor shall have priority over the Assigned Interest with respect to the Maintained Registration securing the Cash Collateral, irrespective of the order of registration under the PPSA, or any other matter whatsoever, so long as the Debtor continues to use any of the Visa Cards. Further, the Assignee hereby subordinates its security interest under the Assigned Interest in favour of the Assignor to the extent of the Maintained Registration.

3. Termination

Immediately following satisfaction of the Payout Conditions, the Assignor shall have no further obligation to make any advance or any other obligations, duties or responsibilities in connection with the Credit Agreement.

4. Indemnity for Chargebacks

The Parties hereby acknowledge and agree that (i) certain cheques, drafts and other items deposited by the Debtor in its accounts with the Assignor, for which the Assignor has given credit to the Debtor on or prior to 5:00 p.m. on the Closing Date but for which such credit has not been accounted for in the Payout Amount; and (ii) deposits made to the Accounts on or prior to the Closing Date may include items that are not certified or cleared and are subsequently returned to the Assignor as dishonoured, discredited, reversed or returned (such items in (i) and (ii) hereof, together with any service charges in respect thereof being collectively referred to herein as the “**Returned Items**”) and (iii) the Assignor may charge its customary charges, fees and expenses incurred by the Assignor in respect of the Debtor’s continued use of the Accounts from and after the Closing Date to and including the Account Closing Date (the “**Reimbursement Charges**” and together with the Returned Items, the “**Charges**”).

For consideration received, the receipt and sufficiency of which is hereby irrevocably acknowledged, the Assignee as direct and primary obligor to the Assignor, hereby irrevocably agrees to indemnify the Assignor and save it harmless for all Charges arising or occurring in respect of the accounts with the Assignor within the applicable time periods set forth herein, to the extent such obligations of indemnity are not satisfied by the Debtor within ten (10) business days after demand on the Debtor by the Assignor or to the extent the Assignor is stayed or otherwise prohibited by a court or applicable law from issuing any demand to the Debtor. The Assignor shall have 30 days from the Closing Date to forward to the Assignee notice and a copy of all such Canadian dollar Returned Items, and 90 days from the Closing Date to forward to the Assignee notice and a copy of all such foreign currency Returned Items. The original Returned Items will be sent to the Assignee in accordance with normal banking practice. The undersigned Debtor agrees that the Assignor may forward notice and the originals of all Returned Items to the Assignee, directly, and shall not be required to provide any concurrent notice to the Debtor. Further, the Assignor shall have 60 days from the Closing Date to forward to the Assignee notice of the amount of the Reimbursement Charges. The Assignee hereby undertakes to pay the Assignor for all such Charges notified within three (3) business days of the Assignor forwarding notice of such Charges in accordance with the notice provisions set out herein.

The parties agree that the Assignee’s indemnity with respect to Returned Items hereunder shall automatically expire and terminate ninety (90) calendar days from the Closing Date with no further action required by the parties provided that there are no outstanding indemnity requests by the Assignor for Returned Items, in which case, the indemnity will automatically expire and terminate without further action of the parties once those outstanding indemnity requests with respect to Returned Items have been paid in full. For greater certainty, the parties hereto agree that the indemnity of the Assignee hereunder shall not apply to any Canadian dollar Returned Items for which the Assignee has not received notice

from the Assignor within thirty (30) calendar days from the Closing Date and shall not apply to any foreign currency returned items for which the Assignee has not received notice from the Assignor ninety (90) calendar days from the Closing Date.

The parties agree that the Assignee's indemnity with respect to Reimbursement Charges hereunder shall automatically expire and terminate sixty (60) calendar days from the Closing Date with no further action required by the parties provided that there are no outstanding indemnity requests by the Assignor for Reimbursement Charges, in which case, the indemnity will automatically expire and terminate without further action of the parties once those outstanding indemnity requests with respect to Reimbursement Charges have been paid in full. For greater certainty, the parties hereto agree that the indemnity of the Assignee hereunder shall not apply to any Reimbursement Charges for which the Assignee has not received notice from the Assignor within sixty (60) calendar days from the Closing Date.

The Debtor confirms that they review and reconcile their account statements relating to all accounts with the Assignor on a daily basis, and will advise the Assignor immediately of any concerns in that regard.

5. **Non-Recourse**

Such payoff and assignment of the Assigned Interest is without recourse to the Assignor and, except as set forth in Section 7 below, without representation or warranty by the Assignor.

6. **Hold in Trust**

If any principal or interest in respect of the Payout Amount is, after the date hereof, paid to the Assignor, in excess of the amounts to be applied toward the Visa Cards, the Assignor shall hold the same in trust for the benefit of the Assignee and pay the same over to the Assignee.

7. **Representations and Warranties of the Assignor**

The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, and (ii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Debtor, any of its subsidiaries or affiliates or any other person or entity obligated in respect of the Payout Amount, or (iv) the performance or observance by the Debtor, any of its subsidiaries or affiliates or any other person or entity of any of their respective obligations under any Loan Document.

8. **Representations and Warranties of the Assignee**

The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and to consummate the transactions contemplated hereby, (ii) from and after the date hereof, it shall be bound by the provisions of the Credit Agreement and the other Loan Documents as the lender thereunder and shall have the obligations of the lender thereunder, and (iii) it has received a copy of the Credit Agreement, the other Loan Documents and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Assignor; and (b) agrees that (i) it will, independently and without reliance on the Assignor, and based on such documents and

information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms and in its own name all of the obligations which by the terms of the Loan Documents are required to be performed by it as the lender thereunder.

9. **Further Assurances**

The Parties shall execute and deliver all further documents and perform all other acts as may be necessary to give effect to the terms of this Assignment.

10. **Enurement**

This Assignment shall enure to the benefit of and shall be binding upon the Assignor and the Assignee and each of their successors and assigns.

11. **No Assignment**

Neither Party shall be permitted to assign any of its rights or delegate any of its obligations under this Assignment without the prior written consent of the other Party.

12. **Beneficiaries**

None of the provisions of this Assignment is intended to provide any rights or remedies to any person or entity other than the Parties and their respective successors and assigns.

13. **Amendments**

This Assignment may not be amended, modified, altered or supplemented other than by means of a written instrument duly executed and delivered by the Parties.

14. **Counterparts**

This Assignment may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together constitute one agreement. Delivery by a Party of an executed counterpart of this Assignment by facsimile or transmitted electronically in legible form, including without limitation in portable document format (PDF), shall be equally effective as delivery by that Party of an original manually executed counterpart of this Assignment.

15. **Governing Law**

This Assignment shall be governed by, and interpreted and enforced in accordance with, the laws in force in the Province of Ontario and the federal laws of Canada applicable in such Province.

IN WITNESS WHEREOF the Parties have duly executed and delivered this Assignment.

THE TORONTO-DOMINION BANK

Per: *D. Zamanis*
Name: DENNIS ZAMANIS
Title: MANAGER COMMERCIAL LOANS

Per: *Frank Dinino*
Name: Frank Dinino
Title: Mcc

STRELLSON AG

Per: _____
Name:
Title:

Per: _____
Name:
Title:

This Assignment is acknowledged by:

STRELLMAX LTD.

Per: _____
Name:
Title:

Witness

Mark Altow

Witness

Frances Altow


IN WITNESS WHEREOF the Parties have duly executed and delivered this Assignment.

THE TORONTO-DOMINION BANK

Per: _____
Name:
Title:

Per: _____
Name:
Title:

STRELLSON AG

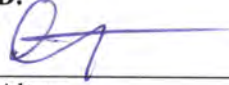
By:  _____
Name: Marcel Braun
Title: Chief Executive Officer

Name: Valeria Gomon
Title: Chief Financial Officer


I/we have authority to bind the corporation

This Assignment is acknowledged by:

STRELLMAX LTD.

Per:  _____
Name: Mark Altow
Title: President

 _____
Witness

 _____
Mark Altow

Witness

Frances Altow

IN WITNESS WHEREOF the Parties have duly executed and delivered this Assignment.

THE TORONTO-DOMINION BANK

Per: _____

Name:

Title:

Per: _____

Name:

Title:

STRELLSON AG

By: _____

Name: Marcel Braun

Title: Chief Executive Officer



Name: Valeria Gomon

Title: Chief Financial Officer

I/we have authority to bind the corporation

This Assignment is acknowledged by:

STRELLMAX LTD.

Per: _____

Name: Mark Altow

Title: President

Witness

Mark Altow

Witness

Frances Altow

IN WITNESS WHEREOF the Parties have duly executed and delivered this Assignment.

THE TORONTO-DOMINION BANK

Per: _____
Name:
Title:

Per: _____
Name:
Title:

STRELLSON AG

By: _____
Name: Marcel Braun
Title: Chief Executive Officer


Name: Valeria Gomon
Title: Chief Financial Officer

I/we have authority to bind the corporation

This Assignment is acknowledged by:

STRELLMAX LTD.

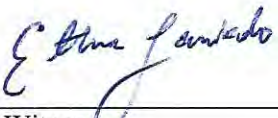
Per: _____
Name: Mark Altow
Title: President



Witness



Mark Altow

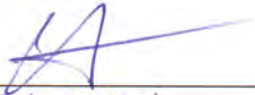


Witness



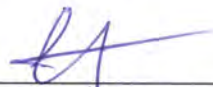
Frances Altow

ADAMRAY INVESTMENTS INC.

Per:  _____ c/s
Name: MARK ALTOW
Title: PRESIDENT

I have the authority to bind the Corporation.

FRANCES AND MARK ALTOW FAMILY TRUST

Per:  _____ c/s
Name: MARK ALTOW
Title: TRUSTEE

I have the authority to bind the Corporation.

Schedule "A"

**Indebtedness of Strellmax Ltd.
to The Toronto-Dominion Bank
as at June 30, 2017**

Facility	Currency	Principal	Interest	Total
Operating Loan	CAD	\$ 2,530,752.85	\$290.34	\$2,531,043.19
Term Loan	CAD	\$1,066,666.68	\$1,170.41	\$1,067,837.09
Billed Legal Fees	CAD	\$21,455.20	n/a	\$21,455.20
Legal Fees ¹	CAD	\$7,474.85	n/a	\$7,474.85
Cash Collateral	CAD	\$71,500	n/a	\$71,500
Total	CAD	\$3,697,849.58	\$1,460.75	\$3,699,310.33

¹ This represents unbilled legal fees to date plus estimated time spent after Closing Date. Any unused portion will be returned to the Assignee.

Schedule "B"

Bank: The Toronto Dominion Bank
Address: 3140 Dufferin Street, Toronto, ON M6A 2T1
Transit No.: 19932
Bank No.: 004
SWIFT ID: TDOMCATTOR:
Account No.: 0326096
Reference: Account Name

Schedule “C”

1. General Security Agreement granted by Strellmax Ltd., dated July 11, 2012.
2. Joint and several guarantee from Mark Altow and Frances Altow, limited to the maximum principal amount of \$500,000, plus fees and costs, dated December 16, 2016.
3. Guarantee from Mark Altow, in the maximum principal amount of \$1,000,000, plus fees and costs, undated.
4. Second ranking collateral Charge in the amount of \$500,000 over 29 Ridge Hill Drive, Toronto, owned by Mark and Frances Altow, registered on December 21, 2016.
5. Postponement and assignment of creditor’s claim and postponement of security from Adamray Investments Inc., dated August 23, 2013.
6. Postponement and assignment of creditor’s claim and postponement of security from the Frances and Mark Altow Family Trust, dated July 11, 2012.
7. Assignment of life insurance policy from Mark Altow in the sum of \$500,000, dated July 11, 2012.
8. Assignment of business insurance policy.

Schedule "D"

Registrations to be Assigned Post-Closing			
Province	Registration	Debtor(s)	Collateral
Ontario	679863789	Strellmax Ltd.	Inv/Equip/Accts/Other/MV
Ontario	690096834	Strellmax Ltd. Adamray Investments Inc.	Accts/Other
Ontario	712579716	Strellmax Ltd.	Accts/Other

Registration to be Maintained Post-Closing			
Province	Registration	Debtor	Collateral
Ontario	726560802*	Strellmax Ltd. Frances and Mark Altow Family Trust	Accts/Other

*Note: This registration is to be amended post-Closing to remove Frances and Mark Altow Family Trust as a debtor.

EXHIBIT

D

This is **Exhibit "D"** referred to in the
Affidavit of Marcel Braun sworn before me
this 30th day of June, 2017



A commissioner for taking affidavits

**Mark Graham McAuley, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires May 8, 2020.**



TO: The Toronto-Dominion Bank (the "Bank")

Branch of the Bank: TRANSIT #1284, 1470 DON MILLS ROAD, DON MILLS, ONTARIO, M3B 2X9

Granted By: STRELLMAX LTD.

(the "Grantor")

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Grantor agrees with the Bank as follows:

1. Security Interest

The Grantor hereby grants to the Bank a security interest in, and assigns (other than with respect to trade-marks), mortgages, charges and pledges (collectively, the "Security Interest") to the Bank, all property of the Grantor, including all property of the kind hereinafter described below, in which the Grantor now has, or hereafter acquires, any right, title or interest, and accretions and accessions thereto (collectively called the "Collateral"):

- (a) **Intangibles.** All intangible property not otherwise described in this Section 1, including all contractual rights and insurance claims, options, permits, licences, quotas, subsidies, franchises, orders, judgments, patents, trademarks, trade names, trade secrets and know-how, inventions, goodwill, copyrights and other intellectual property of the Grantor, including any right or licence to use intellectual property belonging to a third party (collectively called "Intangibles");
- (b) **Chattel Paper and Documents of Title.** All chattel paper and all warehouse receipts, bills of lading and other documents of title, whether negotiable or not;
- (c) **Deposits and Credit Balances.** All monies and credit balances, including interest due thereon, which are now or may hereafter from time to time be on deposit with or standing to the credit of the Grantor with the Bank or any other bank, financial institution or other Person;
- (d) **Books and Records.** All deeds, documents, writings, papers, books of account and other books and records in any form, electronic or otherwise, relating to or evidencing any of the Collateral;
- (e) **Accounts and Book Debts.** All debts, accounts, claims and choses in action for moneys now due or owing or accruing due or which may hereafter become due or owing to the Grantor, including claims against the Crown in right of Canada or of any province, moneys which may become payable under any policy of insurance (collectively called "Accounts and Book Debts"), together with all contracts, securities, bills, notes, lien notes, judgments, mortgages, letters of credit and advices of credit, and all other rights, benefits and documents which are now or which may be taken, vested in or held by the Grantor in respect of or as security for the Accounts and Book Debts or any part thereof, and the full benefit and advantage thereof and all rights of actions, claims or demands which the Grantor now has or may hereafter have in respect of the foregoing;
- (f) **Equipment.** All tools, machinery, apparatus, equipment, vehicles, furniture, plants, fixtures, and other tangible personal property, other than Inventory, wherever situate, including the assets, if any, described in Schedule "A" hereto (collectively called "Equipment");
- (g) **Inventory.** All goods forming the inventory of the Grantor, of whatever kind and wherever located, whether raw material, work in process or finished goods held for sale, lease or resale, or furnished or to be furnished under contracts for service or used or consumed in the business of the Grantor, goods used in or procured for packing or packaging, timber cut or to be cut, oil, gas and minerals extracted or to be extracted, all livestock and the young thereof after conception and all crops which become such within one year after the date of execution of this Agreement (collectively called "Inventory");
- (h) **Instruments.** All bills, notes, cheques, letters of credit and other instruments, whether negotiable or not (collectively called "Instruments");
- (i) **Securities.** All shares, stocks, warrants, options, bonds, debentures, debenture stock and all other securities and investment property of any kind and all instruments, whether negotiable or non-negotiable, and interest thereon and dividends, whether in shares, money or property, received or receivable upon or in respect of any securities and other investment property and all money or other property paid or payable on account of any return on, or repayment of, capital in respect of any securities or otherwise distributed or distributable in respect thereof or that will in any way be charged to, or be payable out of or in respect of, the capital of the issuer of the securities (collectively called "Securities");
- (j) **Real Property.** All real and immovable property, both freehold and leasehold, together with all buildings and fixtures (collectively called "Real Property"), and all rights under any lease or agreement relating to Real Property;

- (k) **Proceeds.** All proceeds of the property described above, including any property in any form derived directly or indirectly from any use or dealing with the property described above or the proceeds therefrom or that indemnifies or compensates for damage or loss to such property or the proceeds therefrom, including the money held in banks, financial institutions or any other Person (collectively called "Proceeds");

provided that (i) the Security Interest does not and will not extend to, and the Collateral will not include, any agreement, lease, right, franchise, licence or permit (the "contractual rights") to which the Grantor is a party or of which the Grantor has the benefit, to the extent that the Security Interest would permit any person to terminate the contractual rights unless the consent of one or more Persons has been obtained and until such consent has been obtained, which the Grantor agrees it will use commercially reasonable efforts to obtain if requested by the Bank, the Grantor agrees to hold its interest therein in trust for the Bank, and notwithstanding the foregoing, contractual rights shall not include any account or chattel paper; and (ii) with respect to Real Property, (A) the Security Interest granted hereby is constituted by way of a floating charge, but will become a fixed charge upon the earlier of the Obligations becoming immediately payable, and the occurrence of any other event that by operation of law would result in such floating charge becoming a fixed charge; and (B) the assignment, mortgage and charge granted hereby will not extend to the last day of the term of any lease or agreement relating to Real Property, but the Grantor will hold such last day in trust for the Bank and, upon the enforcement by the Bank of its Security Interest, will assign such last day as directed by the Bank.

2. Obligations Secured

The Security Interest secures the payment and performance of all present and future obligations of the Grantor to the Bank, including all debts and liabilities, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred, whether incurred before, at the time of, or after the execution of this Agreement, whether the indebtedness and liability is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, whether arising from dealings between the Bank and the Grantor or from other dealings or proceedings by which the Bank may be or become in any manner whatsoever a creditor of the Grantor, and in any currency, whether incurred by the Grantor alone or with another or others and whether as a principal or surety, including all interest thereon and all amounts owed by the Grantor under this Agreement for fees, costs and expenses and in respect of indemnities granted under this Agreement (collectively called the "Obligations").

3. Definitions

- (a) Any word or term that is not otherwise defined in this Agreement shall have the meaning given to it in the *Personal Property Security Act* of the province in which the Branch of the Bank is located, as amended from time to time, and being referred to in this Agreement as the "PPSA". Any reference herein to "Collateral" shall, unless the context requires otherwise, be deemed to be a reference to "Collateral or any part thereof".
- (b) The following terms shall have the respective meanings set out below:

"Branch of the Bank" means the branch of the Bank located at the address specified above.

"Business Day" means any day other than a Saturday, Sunday or statutory holiday in the province in which the Branch of the Bank is located.

"Control Agreement" means:

- (a) with respect to any uncertificated security, an agreement between the issuer of such uncertificated security and any Person whereby such issuer agrees to comply with instructions that are originated by such Person in respect of such uncertificated security, without the further consent of the Grantor; and
- (b) with respect to any securities account or security entitlement, an agreement between the securities intermediary which maintains the particular securities account to which security entitlements included in the Collateral relate and any Person whereby such securities intermediary agrees to comply with any entitlement orders with respect to such securities accounts or security entitlements that are originated by such Person, without the further consent of the Grantor.

"Person" means any individual, sole proprietorship, joint venture, partnership, corporation, company, firm, association, co-operative, estate, government, government agency, regulatory authority, trust, or any entity of any nature.

4. Representations & Warranties

The Grantor hereby represents and warrants with the Bank and so long as this Agreement remains in effect shall be deemed to continuously represent and warrant that:

- (a) **Location of Head Office.** The address of the Grantor's chief executive office and the office where it keeps its records respecting the Accounts and Book Debts (the "Head Office") is set out below the name of the Grantor on the signature page of this Agreement;

- (b) **Location of Collateral.** The Collateral which is goods is or will be located at the address set out on the signature page of this Agreement or at the locations specified in Schedule "A" hereto or such other locations as have been agreed to by the Bank in writing, except for (i) goods in transit to such locations and (ii) Inventory on lease or consignment, but including all fixtures, crops, oil, gas or other minerals to be extracted and all timber to be cut which forms part of the Collateral;
- (c) **Collateral Free and Clear.** The Collateral (other than Real Property) is the sole property of the Grantor free and clear of all security interests, liens, charges, mortgages, hypothecs, leases, licenses, infringements by third parties, encumbrances, statutory liens or trusts, other adverse claims or interests, or any rights of others, except for those security interests which are expressly approved by the Bank in writing prior to their creation or assumption;
- (d) **Amount of Accounts.** Each Account and Book Debt, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor") and the amount represented by the Grantor to the Bank from time to time as owing by each Account Debtor or by all Account Debtors will be the correct amount unconditionally owing by such Account Debtor or Account Debtors, and no Account Debtor will have any defence, set-off, claim or counterclaim against the Grantor which can be asserted against the Bank, whether in any proceeding to enforce Collateral or otherwise;
- (e) **Status and Binding Obligation.** The Grantor (i) if a corporation or company, has been duly incorporated, amalgamated or continued, as the case may be, and is validly existing as a corporation or company, as the case may be, under the laws of its jurisdiction of incorporation, amalgamation or continuance, as the case may be, (ii) if not a corporation or company, has been duly created or established as a partnership, limited partnership or other entity and validly exists under the laws of the jurisdiction in which it has been created or established, and (iii) is duly qualified to carry on business and own property in each jurisdiction where it carries on business or where any of its property is located. The Grantor has adequate power, capacity and authority to carry on its business, own property, borrow monies and enter into agreements therefor, execute and deliver this Agreement, and perform its obligations under this Agreement, which Agreement constitutes a legally valid and binding obligation of the Grantor enforceable in accordance with its terms. The making of this Agreement will not result in the breach of, constitute a default under, contravene any provision of, or result in the creation of, any lien, charge, security interest, encumbrance or any other rights of others upon any property of the Grantor pursuant to any agreement, indenture or other instrument to which the Grantor is a party or by which the Grantor or any of its property may be bound or affected; and
- (f) **Intellectual Property.** All intellectual property applications and registrations are valid, subsisting, unexpired, enforceable, in good standing and have not been abandoned and the Grantor is the owner of the applications and registrations.

5. Covenants

The Grantor covenants and agrees with the Bank that:

- (a) **Place of Business and Location of Collateral.** The Grantor shall not change its name or the location of its Head Office, amalgamate with any other Person, or move any of the Collateral from the address set out on the signature page of this Agreement or the locations specified in Schedule "A" hereto other than in accordance with clause 5(g), without the prior written consent of the Bank;
- (b) **Notification.** The Grantor shall notify the Bank promptly of: (i) any change in the information contained herein or in Schedule "A" hereto relating to the Grantor, the Grantor's business or Collateral; (ii) the details of any significant acquisition of Collateral; (iii) the details of any claims or litigation affecting the Grantor or the Collateral and will furnish the Bank with copies of the details of such claims or litigation; (iv) any loss or damage to Collateral or any material adverse change in the value of Collateral; and (v) any default by any Account Debtor in payment or other performance of its obligations with respect to Collateral;
- (c) **Performance of Obligations.** The Grantor shall observe and perform all its obligations under all material leases, licenses, undertakings and agreements to which it is a party, obtain and preserve its rights, powers, licences, privileges, franchises and goodwill thereunder, and comply with all applicable laws, by-laws, rules, regulations and ordinances in a proper and efficient manner so as to preserve and protect the Collateral and the business and undertaking of the Grantor in all material respects. The Grantor shall also pay all rents, taxes, rates, levies, assessments and government fees or dues levied, assessed or imposed in respect of the Collateral and other charges or any part thereof as and when the same become due and payable, and shall provide to the Bank, when requested, the receipts and vouchers evidencing payment;
- (d) **Limitations on Discounts, Extensions of Accounts and Compromises.** The Grantor shall not grant any extension of time for payment of any Accounts or Book Debts, or compromise, compound or settle any Accounts or Book Debts for less than the full amount, or release, wholly or partially, any Person liable for the payment of any Accounts or Book Debts, or allow any credit or discount of any Account or Book Debt, other than in the ordinary course of business of the Grantor and consistent with industry practices;

- (e) **Payment of Fees and Expenses.** The Grantor will pay the Bank on demand all costs, fees and expenses (including legal fees on a solicitor and his own client basis) incurred by the Bank in the preparation, execution, registration and perfection of this Agreement and the carrying out of any of the provisions of this Agreement, including, protecting and preserving the Security Interest and enforcing by legal process or otherwise the remedies provided herein. All such costs and expenses payable by the Grantor to the Bank shall bear interest from time to time at the highest interest rate then applicable to any of the Obligations, calculated and compounded monthly, and shall be added to and form part of the Obligations secured hereunder;
- (f) **Maintenance and Protection of Collateral/No Fixtures.** The Grantor shall care for, protect and preserve the Collateral and not permit its value to be impaired and will not permit the Collateral to be affixed to real or personal property so as to become a fixture or accession without the prior written consent of the Bank. The Grantor shall keep the Collateral in good order, condition and repair and shall not use the Collateral in violation of the provisions of this Agreement or any other agreement relating to the Collateral or any policy insuring the Collateral or any applicable statute, law, by-law, rule, regulation or ordinance. The Grantor will keep all licences, permits, agreements, registrations and applications relating to intellectual property used by Grantor in its business in good standing, unless otherwise agreed to in writing by the Bank. The Grantor shall apply to register all existing and future copyrights, trade-marks, patents, integrated circuit topographies and industrial designs whenever it is commercially reasonable to do so. The Grantor shall defend title to the Collateral against all claims and demands of all other Persons claiming the same or an interest therein and shall diligently initiate and prosecute legal action against every Person who infringes upon the Grantor's rights in intellectual property;
- (g) **Dealing with Collateral.** (i) The Grantor will not sell, lease, transfer, assign, deliver or otherwise dispose of the Collateral or any interest therein without the prior written consent of the Bank, except that the Grantor may, until an event of default as hereinafter provided occurs, deal with any Inventory or Real Property (other than fixtures financed by the Bank and any replacements or substitutions thereof) in the ordinary course of business so that the purchaser thereof takes title thereto free and clear of the Security Interest; (ii) All Proceeds shall continue to be subject to the Security Interest, granted hereby and all money received by the Grantor as Proceeds, other than from the sale of Inventory, shall be received as trustee for the Bank and shall be held separate and apart from other money of the Grantor, and shall be paid over to the Bank upon request; (iii) All money collected or received by the Bank in respect of the Collateral may be applied on account of such parts of the Obligations as the Bank in its sole discretion determines, or may be held unappropriated in a collateral account, or in the discretion of the Bank may be released to the Grantor, all without prejudice to the Bank's rights against the Grantor; (iv) Before an event of default occurs hereunder, the Bank may give notice of this Agreement and the Security Interest to any Account Debtor who is obligated to the Grantor under any of the Accounts and Book Debts and, after the occurrence of an event of default hereunder, may give notice to any such Account Debtor to make all further payments to the Bank, and any payment or other Proceeds received by the Grantor from an Account Debtor after an event of default whether before or after any notice is given by the Bank, shall be held by the Grantor in trust for the Bank and paid over to the Bank on request. The Bank shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Bank may consider appropriate and the Grantor agrees to furnish all assistance and information and to perform all such acts as the Bank may reasonably request in connection therewith and for such purpose to grant to the Bank or its agents access to all places where Collateral may be located and to all premises occupied by the Grantor;
- (h) **Maintenance of Records.** The Grantor will keep proper books of account in accordance with sound accounting practice and mark any and all such records and the Collateral at the Bank's request so as to indicate the Security Interest. The Grantor shall furnish to the Bank such financial information and statements and such information and statements relating to the Collateral as the Bank may from time to time require and shall permit the Bank or its agents at any time at the expense of the Grantor to examine the books of account and other financial records and reports relating to the Collateral and to make copies thereof and take extracts therefrom and to make inquiries of third parties for the purpose of verification of such information. The Grantor authorizes any Person holding any Books and Records to make them available, in a readable form, upon the request of the Bank. The Grantor will deliver to the Bank any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral;
- (i) **Negative Pledge.** The Grantor will not create, incur, assume or suffer to exist, any mortgage, deed of trust, pledge, lien, security interest, assignment, charge, hypothec, encumbrance or statutory lien or trust (including any conditional sale, or other title retention agreement or finance lease) of any nature, on any of the Collateral (other than Real Property, but not including any fixtures financed by the Bank and any replacements or substitutions thereof) without the express prior written consent of the Bank;
- (j) **Insurance.** The Grantor will keep the Collateral insured under policies with such coverage, for such amounts and with such insurers as are satisfactory to the Bank from time to time, with loss thereunder, payable to the Bank and shall furnish the Bank with a copy of any policy of insurance, certificate of insurance or other evidence satisfactory to the Bank that such insurance coverage is in effect;
- (k) **Further Assurances.** The Grantor will from time to time forthwith, at the expense of the Grantor, duly authorize, execute and deliver such further instruments and documents, and take such further action, as the Bank may request for the purpose of obtaining or preserving the benefits of, and the rights and powers granted by, this Agreement (including the filing of any financing statements or financing change statements under any applicable legislation with respect to the Collateral) and for the purpose of correcting any deficiencies or clerical errors in this Agreement; and

- (l) **Landlord Agreement.** The Grantor will, at the request of the Bank, obtain a written agreement from each landlord of premises where any of the Collateral is located, in favour of the Bank and in form and substance satisfactory to the Bank, whereby such landlord agrees to give notice to the Bank of any default by the Grantor under the lease and a reasonable opportunity to cure such default prior to the exercise of any remedies by the landlord and acknowledges the Security Interest created by this Agreement and the right of the Bank to enforce the Security Interest created by this Agreement in priority to any claim of such landlord, including the right of the landlord to distrain on the Collateral for arrears of rent.

6. Survival of Representations and Warranties and Covenants

All agreements, representations, warranties and covenants made by the Grantor in this Agreement are material, will be considered to have been relied on by the Bank and will survive the execution and delivery of this Agreement or any investigation made at any time by or on behalf of the Bank and any disposition or payment of the Obligations until the indefeasible repayment and performance in full of the Obligations.

7. Performance of Covenants by The Bank

- (a) The Bank may, in its sole discretion and upon notice to the Grantor, perform any covenant of the Grantor under this Agreement that the Grantor fails to perform including any covenant the performance of which requires the payment of money, provided that the Bank will not be obligated to perform such covenant on behalf of the Grantor. The performance by the Bank of any such covenant shall not oblige the Bank to continue to perform any such covenant or other covenants nor relieve the Grantor from any default or derogate from the rights and remedies of the Bank under this Agreement. The Grantor agrees to indemnify and to reimburse the Bank for all costs and expenses incurred by the Bank in connection with the performance by it of any such covenant, and all such costs and expenses shall be payable by the Grantor to the Bank on demand, shall bear interest at the highest rate per annum applicable to any of the Obligations, calculated and compounded monthly, and shall be added to and form part of the Obligations.
- (b) In holding any Collateral, the Bank and any agent or nominee on its behalf is only bound to exercise the same degree of care as it would exercise with respect to similar property of its own or of similar value held in the same or similar location. The Bank and any agent or nominee on its behalf will be deemed to have exercised reasonable care with respect to the custody and preservation of the Collateral if it takes such action for that purpose as the Grantor reasonably requests in writing, but failure of the Bank or its nominees to comply with any such request will not of itself be deemed a failure to exercise reasonable care.

8. Securities, Investment Property

If Collateral at any time includes Securities, the Grantor authorizes the Bank to transfer all or any of such Securities into its own name or that of its nominee(s) so that the Bank or its nominee(s) may appear on record as the sole owner thereof; provided that, until default, the Bank shall deliver promptly to the Grantor all notices or other communications received by it or its nominee(s) as such registered owner and, upon demand and receipt of payment of any necessary expenses thereof, shall issue to the Grantor or its order a proxy to vote and take all action with respect to such Securities. After default, the Grantor waives all rights to receive any notices or communications received by the Bank or its nominee(s) as such registered owner and agrees that no proxy issued by the Bank to the Grantor or its order as aforesaid shall thereafter be effective.

Where any Investment Property is held in or credited to an account that has been established with a securities intermediary, the Bank may, at any time give a notice of exclusive control to any such securities intermediary with respect to such Investment Property.

The Grantor has not consented to and covenants that it will not consent to, the entering into of a Control Agreement by: (a) any issuer of any uncertificated securities included in or relating to the Collateral; or (b) any securities intermediary for any securities accounts or security entitlements included in or relating to the Collateral, other than, in either case, a Control Agreement to which the Bank is a party.

Promptly upon request from time to time by the Bank, the Grantor shall:

- (a) enter into and use reasonable commercial efforts to cause any securities intermediary for any securities accounts or securities entitlements included in or relating to the Collateral to enter into a Control Agreement with the Bank with respect to such securities accounts or securities entitlements as the Bank requires in form and substance satisfactory to the Bank; and
- (b) enter into and use reasonable commercial efforts to cause any issuer of any uncertificated securities included in or relating to the Collateral to enter into a Control Agreement with the Bank with respect to such uncertificated securities in form and substance satisfactory to the Bank.

9. Dealing with Security Interest

The Bank may grant extensions of time and other indulgences, give up any of the Security Interest, abstain from perfecting any of the Security Interest, accept compositions, grant releases and discharges and waive rights against and otherwise deal with the Grantor, Account Debtors of the Grantor, sureties and others and with any of the Collateral and any other security as the Bank may see fit without prejudice to the liability of the Grantor or the Bank's right to hold and realize any of the Security Interest. The Bank shall not be accountable to the Grantor for the value of any of the Security Interest released except for any moneys actually received by the Bank.

10. Deposits and Credit Balances

Without limiting any other rights or remedies of the Bank, the Bank may, without notice to the Grantor or any other Person, any notice being expressly waived by the Grantor, set-off and apply all or any of the amounts standing to or for the credit of the Grantor at the Bank or any of the Bank's affiliates, in any currency, against and on account of all or any part of the Obligations, all as the Bank may see fit, whether or not the Obligations or the amounts standing to or for the credit of the Grantor are due and payable. The Bank is authorized and shall be entitled to make such debits, credits, correcting entries, and other entries to the Grantor's accounts and the Bank's records relating to the Grantor as the Bank regards as desirable in order to give effect to the Bank's rights hereunder and the Grantor agrees to be bound by such entries absent manifest error. When applying a deposit or other obligation in a different currency than the Obligations to the Obligations, the Bank will convert the deposit or other obligation to the currency of the Obligations using the rate of exchange for the conversion of such currency as determined by the Bank or its agents and the Bank or its agent may earn revenue on such conversion.

11. Events of Default

Obligations not payable on demand shall, at the option of the Bank, become immediately due and payable upon the occurrence of one or more of the following events (each, an "event of default"):

- (a) the Grantor fails to pay when due, whether by acceleration or otherwise, any of the Obligations;
- (b) the Grantor fails to perform any provision of this Agreement or of any other agreement to which the Grantor and the Bank are parties;
- (c) if any certificate, statement, representation, warranty, audit report or financial statement heretofore or hereafter furnished by or on behalf of the Grantor pursuant to or in connection with this Agreement, or as an inducement to the Bank to extend any credit to or to enter into this or any other agreement with the Grantor, is shown to have been false in any material respect or to have omitted any material fact; or if upon the date of execution of this Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty, audit report or financial statement, which change shall not have been disclosed to the Bank at or prior to the time of such execution;
- (d) the Grantor ceases or threatens to cease to carry on business, commits an act of bankruptcy, becomes insolvent, proceedings or other actions are taken by or against the Grantor under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or similar legislation whether in Canada or elsewhere, or the Grantor transfers all or substantially all of its assets to another Person;
- (e) a receiver, trustee, custodian or other similar official is appointed in respect of the Grantor or any of the Grantor's property;
- (f) the institution by or against the Grantor of any formal or informal proceeding for the dissolution or liquidation or settlement of claims against or winding up of affairs of the Grantor;
- (g) an encumbrancer takes possession of any of the Collateral or any process of execution or distress is levied or enforced upon or against any of the Collateral;
- (h) any indebtedness or liability of the Grantor, other than to the Bank, becomes due and payable, or capable of being declared due and payable, before the stated maturity thereof or any such indebtedness or liability shall not be paid at the maturity thereof or upon the expiration of any stated applicable grace period thereof, or the Grantor fails to make payment when due under any guarantee given by the Grantor;
- (i) if the Grantor is an individual, the Grantor dies or is found by a court to be incapable of managing his or her affairs;
- (j) an execution or any other process of any court shall become enforceable against the Grantor;
- (k) if the Grantor is a partnership, the death of a partner; or
- (l) any other event which causes the Bank, in good faith, to deem itself insecure;

and the Bank shall not be required to make any further advances or other extension of credit that constitutes an Obligation.

12. Remedies

- (a) Upon the occurrence of an event of default that has not been cured or waived, the Bank, in addition to any right or remedy otherwise provided herein or by law, will have the rights and remedies set out below, which may be enforced successively or concurrently:
 - (i) to take such steps as the Bank considers desirable to maintain, preserve or protect the Collateral or its value;

- (ii) to take possession of the Collateral and require the Grantor to assemble the Collateral and deliver or make the Collateral available to the Bank at such place as may be specified by the Bank, and the Bank will not be or be deemed to be a mortgagee in possession by virtue of any such actions;
 - (iii) to exercise and enforce all rights and remedies of the Grantor with respect to the Collateral, including collecting and realizing upon all Accounts and Book Debts;
 - (iv) to carry on or concur in carrying on all or any part of the business of the Grantor;
 - (v) for the maintenance, preservation or protection of the Collateral or for carrying on any of the business of the Grantor, to borrow money on the security of the Collateral, which security will rank in priority to the Security Interest, or on an unsecured basis;
 - (vi) to the exclusion of all others, including the Grantor, to enter upon, occupy and use all or any of the premises, buildings and plants owned or occupied by the Grantor and use all or any of the Collateral of the Grantor for such time as the Bank requires to facilitate the preservation and realization of the Collateral, free of charge, and the Bank will not be liable to the Grantor for any neglect in so doing or in respect of any rent, charges, depreciation or damages in connection with such actions;
 - (vii) to sell, lease, license or otherwise dispose of or concur in selling, leasing, licensing or otherwise disposing of the Collateral upon such terms and conditions as the Bank may determine;
 - (viii) to dispose of any of the Collateral in the condition in which it was at the date possession of it was taken, or after any commercially reasonable repair, processing or preparation thereof for disposition;
 - (ix) if any part of the Collateral is perishable or will decline speedily in value, to sell or otherwise dispose of same without giving any notice of such disposition;
 - (x) to make any arrangement or compromise which the Bank shall think expedient in the interests of the Bank, including compromising any Accounts and Book Debts, and giving time for payment thereof with or without security;
 - (xi) to appoint a consultant or monitor, at the Grantor's expense, to evaluate the Grantor's business and the value of the Collateral, and to review the options available to the Bank; and
 - (xii) to appoint or reappoint by instrument in writing any person or persons, whether an officer or officers or employee or employees of the Bank or not, to be a receiver or receivers or a receiver and manager of the Collateral and remove or replace any person or persons so appointed or apply to any court for the appointment of a receiver or receiver and manager (each hereinafter called a "Receiver").
- (b) Any Receiver so appointed shall be deemed to be the agent of the Grantor and not the Bank, and the Grantor and not the Bank, shall be solely responsible for the Receiver's acts or defaults and for the Receiver's remuneration and expenses. The Bank shall not be in any way responsible for any misconduct, negligence or failure to act on the part of any such Receiver, its servants, agents or employees.
- (c) The Grantor agrees to pay all costs, charges and expenses incurred by the Bank or any Receiver appointed by the Bank, whether directly or for services rendered (including reasonable legal and auditors' costs and expenses and Receiver remuneration), in operating the Grantor's accounts, in preparing or enforcing this Agreement, taking and maintaining custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting the Obligations, and all such costs, charges and expenses, together with any amounts owing as a result of any borrowing by the Bank or any Receiver appointed by the Bank, as permitted hereby, shall be a first charge on the Collateral and shall be secured hereby.
- (d) The Bank will give the Grantor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made as may be required by the PPSA.
- (e) Upon default and receiving written demand from the Bank, the Grantor agrees to take such further action as may be necessary to evidence and effect an assignment or licensing of intellectual property to whomever the Bank directs, including to the Bank. The Grantor appoints any officer or employee of the Bank to be its attorney in accordance with applicable legislation with full power of substitution, to do on the Grantor's behalf anything that is required to assign, license or transfer, and to record any assignment, license or transfer of the Collateral. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.
- (f) The Grantor authorizes the Bank to file such financing statements, financing change statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying any Collateral or identifying the locations at which the Collateral is located and correcting any clerical errors or deficiencies in this Agreement) as the Bank may deem appropriate to perfect on an ongoing basis and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest. The Grantor hereby irrevocably constitutes and appoints the Bank and any of its officers or employees from time to time as the true and lawful attorney of the Grantor, with full power of substitution, to do any of the foregoing in the name of the Grantor whenever and wherever it may be deemed necessary or

expedient. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.

If the disposition of the Collateral fails to satisfy the Obligations secured by this Agreement including the expenses incurred by the Bank in connection with the preservation and realization of the Collateral as described above, the Grantor shall be liable to pay any deficiency to the Bank forthwith on demand.

13. Environmental License and Indemnity

The Grantor hereby grants to the Bank and its officers, employees and agents an irrevocable and non-exclusive license, subject to the rights of tenants, to enter any Real Property to conduct investigations, inspections, audits, testing and monitoring with respect to any contaminants or hazardous substances and to remove and analyze samples of any contaminants or hazardous substances at the cost and expense of the Grantor (which cost and expense will form part of the Obligations and will be payable immediately on demand and secured hereby). The Grantor hereby indemnifies and will indemnify the Bank and agrees to hold the Bank harmless against and from all losses, fines, penalties, costs, damages and expenses which the Bank may sustain, incur or be held to be or for which it may become liable, at any time whatsoever for or by reason of or arising from the past, present or future presence of or, clean-up, removal or disposal of any contaminants or hazardous substances from, on, under or adjacent to any Real Property owned by the Grantor or which may become owned or occupied by the Bank or as a result of the Bank's compliance with environmental laws or environmental orders relating thereto, including any clean-up, decommissioning, restoration or remediation of any Real Property owned or occupied by the Grantor or other affected or adjacent lands or property. This indemnification will survive the satisfaction, release or extinguishment of the Obligations created hereby

14. Miscellaneous

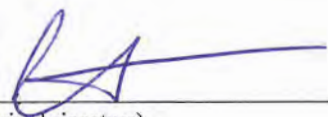
- (a) **Interpretation.** The division of this Agreement into Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement (including any schedule now or hereafter annexed hereto) and not to any particular Section or other portion hereof. Unless otherwise specified, any reference herein to a Section or Schedule refers to the specified Section of or Schedule to this Agreement. In this Agreement: (i) words importing the singular number only shall include the plural and vice versa and words importing the masculine gender shall include the feminine and neuter genders and vice versa; (ii) the words "include", "includes" and "including" mean "include", "includes" or "including", in each case, "without limitation"; (iii) reference to any agreement or other instrument in writing means such agreement or other instrument in writing as amended, modified, replaced or supplemented from time to time; (iv) unless otherwise indicated, time periods within which a payment is to be made or any other action is to be taken hereunder shall be calculated excluding the day on which the period commences and including the day on which the period ends; and (v) whenever any payment to be made or action to be taken hereunder is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next following Business Day.
- (b) **Successors and Assigns.** This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. In any action brought by an assignee of this Agreement and the Security Interest or any part thereof to enforce any rights hereunder, the Grantor shall not assert against the assignee any claim or defence which the Grantor now has or hereafter may have against the Bank.
- (c) **Amalgamation.** The Grantor acknowledges and agrees that in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term "Grantor" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that the Security Interest granted hereby (i) shall extend to "Collateral" (as that term is herein defined) in which any amalgamating company has any rights at the time of amalgamation and to any "Collateral" in which the amalgamated company thereafter has any rights, and (ii) shall secure the "Obligations" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to the Bank at the time of amalgamation and any "Obligations" of the amalgamated company to the Bank thereafter arising.
- (d) **Joint and Several.** If there is more than one Grantor named herein, the term "Grantor" shall mean all and each of them, their obligations under this Agreement shall be joint and several, the Obligations shall include those of all or any one of them and no Grantor shall have the right of subrogation, exoneration, reimbursement or indemnity whatsoever and no right of recourse to the Collateral for the Obligations hereunder unless and until all of the Obligations have been paid or performed in full, notwithstanding any change for any cause or in any manner whatsoever in the composition of or membership of any firm or company which is a party hereto.
- (e) **Attachment of Security Interest.** The Grantor acknowledges that value has been given and that the Security Interest granted hereby will attach when the Grantor signs this Agreement and will attach to Collateral in which the Grantor subsequently acquires any rights, immediately upon the Grantor acquiring such rights. The parties do not intend to postpone the attachment of any Security Interest created by this Agreement.

- (f) **No Obligation to Advance.** Neither the execution of this Agreement nor any advance of funds shall oblige the Bank to advance any funds or any additional funds or enter into any transaction or renew any note or extend any time for payment of any of the Obligations of the Grantor to the Bank.
- (g) **Information.** The Bank may provide any financial and other information it has about the Grantor, the Security Interest and the Collateral to any one acquiring or who may acquire an interest in the Security Interest or the Collateral from the Bank or anyone acting on behalf of the Bank.
- (h) **Assignment.** The Bank may assign or transfer any of its rights under this Agreement without the consent of the Grantor. The Grantor may not assign its obligations under this Agreement without the prior written consent of the Bank.
- (i) **Amendment.** Subject to Section 12(f) of this Agreement, no amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by all of the parties hereto. No course of conduct by the Bank will be deemed to result in an amendment of this Agreement.
- (j) **Term.** This Agreement shall be a continuing agreement in every respect for the payment of the Obligations and it shall remain in full force and effect until all of the Obligations shall be indefeasibly paid in full or discharged by the Bank and until the Bank shall no longer have any commitment to the Grantor or any other Person, the fulfillment of which, might result in the creation of Obligations of the Grantor.
- (k) **Severability.** If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable in any respect, such invalidity or unenforceability will not affect the validity or enforceability of the remaining provisions of this Agreement.
- (l) **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the jurisdiction where the Branch of the Bank is located.
- (m) **Waiver by the Bank.** No delay or omission by the Bank in exercising any right or remedy hereunder or with respect to any Obligations shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or of any other right or remedy. Furthermore, the Bank may remedy any default by the Grantor hereunder or with respect to any Obligations in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by the Grantor. No course of conduct of the Bank will give rise to any reasonable expectation which is in any way inconsistent with the terms and conditions of this Agreement or the Bank's rights hereunder. All rights and remedies of the Bank granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.
- (n) **Waiver by the Grantor.** The Grantor waives protest of any Instrument constituting Collateral at any time held by the Bank on which the Grantor is in any way liable and, subject to clause 12(d) hereof, notice of any other action taken by the Bank.
- (o) **Non-Substitution.** The Security Interest is in addition to and not in substitution for any other security now or hereafter held by the Bank.
- (p) **Entire Agreement.** This Agreement including any schedule now or hereafter annexed hereto, constitutes the entire agreement between the Grantor and the Bank with respect to the subject matter hereof. There are no representations, warranties, terms and conditions, undertakings or collateral agreements, express, implied or statutory, between the parties except as expressly set forth in this Agreement.
- (q) **Acknowledgment.** The Grantor acknowledges receipt of a fully executed copy of this Agreement and, to the extent permitted by applicable law, waives the right to receive a copy of any financing statement, financing change statement or verification statement in respect of any registered financing statement or financing change statement prepared, registered or issued in connection with this Agreement.

(r) **Execution.** The Grantor agrees that this Agreement may be executed electronically and in counterparts.

IN WITNESS WHEREOF the Grantor has executed this Agreement this 11th day of July, 2012

STRELLMAX LTD.

Per: 
(authorized signature)

Per: _____
(authorized signature)

Signature:

Witness as to execution

Name:
3725 CHESSWOOD DRIVE , TORONTO, ONTARIO, M3J 2P6

Signature:

Name:

[Address of Grantor]

Signature:

Name:

[Address of Grantor]

Signature:

Name:

[Address of Grantor]

Signature:

Name:

[Address of Grantor]

Signature:

Name:

[Address of Grantor]

Signature:

Name:

[Address of Grantor]

SCHEDULE "A"

DESCRIPTION OF EQUIPMENT/SERIAL NUMBERED GOODS

QUANTITY	DESCRIPTION	SERIAL NUMBER
----------	-------------	---------------

LOCATION OF COLLATERAL

The Collateral is now and will hereafter be located at the following address(es) (include Street/Town/City and Province):

- 3725 Chesswood Drive, Toronto, Ontario, M3J 2P6
- Unit 100-170 Bloor Street West, Toronto, Ontario, M5S 1T6
- 350 Pendant Drive, Mississauga, Ontario, L5T 2W9

RESOLUTION AUTHORIZING EXECUTION OF GENERAL SECURITY AGREEMENT

"RESOLVED THAT:

- (a) The President and the Secretary are hereby authorized for and on behalf of the Corporation to execute and deliver to The Toronto-Dominion Bank a General Security Agreement substantially in the form of the General Security Agreement (attached hereto and initialled by the Secretary for identification) presented to the directors, with such alterations, amendments, deletions or additions as may be approved by the persons executing the same and their execution shall be conclusive evidence of such approval and that the General Security Agreement so executed is the General Security Agreement authorized by this Resolution.
- (b) Any officer or director be and is hereby authorized to execute and deliver on behalf of the Corporation all such other documents and writings and to do such other acts and things as may be necessary or desirable for fulfilling the Corporation's obligations under the General Security Agreement."

CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of a Resolution duly passed by the Directors of _____
STRELLMAX LTD.

on the 11th day of July, 2012 and that the said Resolution is now in full force and effect.

Allen
Secretary

C/S

EXHIBIT

E

This is **Exhibit “E”** referred to in the
Affidavit of Marcel Braun sworn before me
this 30th day of June, 2017



A commissioner for taking affidavits

**Mark Graham McAuley, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires May 8, 2020.**

March 01, 2017

Strellmax Ltd.
3725 Chesswood Drive
Toronto, Ontario M3J 2P6

Attention: Mark Altow

Re: Non Binding - Letter of Intent ("LOI")

Further to our previous conversations and discussions, we hereby set out the terms and conditions of the proposed credit facilities to be provided by Strellson AG ("**Strellson**") to Strellmax Ltd. (the "**Borrower**"). The parties will aim to negotiate and conclude all definitive documentation as soon possible and aim at completing such definitive documentation by March, 2, 2017. It is anticipated that in advance of the finalization of any definitive documentation in respect of this LOI, that on or around, and / or subsequent to, the week of February 20, 2017, Strellson will ship further inventory to the Borrower (the "**February/March Shipments**") on normal terms of trade between Strellson and the Borrower (the quantities in respect of such shipments will be in Strellson's sole discretion based on discussion with the Borrower) but subject to the conditions set out in this LOI.

Borrower: Strellmax Ltd.

Guarantors: Mark Altow and Frances Altow

Existing Credit Facilities: Loan Agreement between The Toronto-Dominion Bank ("**TD**") and the Borrower dated June 6, 2016, as amended by an amending agreement dated December 6, 2016 (collectively, the "**TD Loan Agreement**"), and supporting credit documents including any and all security granted to TD by the Borrower, Adamray Investments Inc. (the "**Shareholder**"), Mark Altow and Frances Altow (collectively, the "**TD Security**").

Conditions Precedent to February/March Shipments: The obligation of Strellson to make the February/March Shipments to the Borrower is subject to Execution and delivery of this LOI.

Strellson Facilities:

1. Operating Facility No. 1 (current TD facility) in an amount not to exceed \$2.7 million*; and
2. Operating Facility No. 2 labeled as "Strellson Exposure" (new facility for trade payables to Strellson and provision of operating cash requirements) within business plan provided in an amount not to exceed \$3.0 million until June and \$4.05 million afterwards; and
3. Committed Reducing Term Facility (current TD Facility) in an amount not to exceed \$1.2 million (collectively, the "**Strellson Facilities**").

*The availability of the Operating Facilities (No. 1 and No. 2) are subject to the terms and conditions of the TD Loan Agreement (or the New Agreement (as defined below) between Strellson and the Borrower). The Operating Facilities (No. 1 and No. 2) are divided herein for the sake of clarity, in any definitive documentation only one Operating Facility will be provided.

Purpose: The proceeds of loans and other extensions of credit made available by Strellson in connection with this LOI shall be used to pay-out the TD Loan Agreement, for working capital and for such other legal and proper purposes as are consistent with all applicable laws and the terms and conditions of this LOI, the whole to the extent permitted under or pursuant to the terms and conditions of this LOI.

Terms and Conditions of Strellson Facilities: The terms and conditions of the Strellson Facilities will be substantially the same as those under the TD Loan Agreement, subject to the amendments required to reflect the terms of this LOI and such other amendments as Strellson and its legal counsel consider necessary in order to legally effect the purpose and intent of this LOI.

For greater certainty, to secure the debts, liabilities and obligations of the Borrower to Strellson under and in respect of the Strellson Facilities, in addition to any other requirements set out in this LOI, the Borrower and the Guarantors will grant to Strellson first priority position security that is in all material respects the same in nature and priority to such security granted to TD under the TD Loan Agreement (whether by way of assignment or otherwise)

The guarantees from the Guarantors will only apply up to the first \$4,900,000 of the debts, liabilities and obligations of the Borrower to Strellson.

Provided no default or event of default has occurred in respect of the Strellson Facilities, Strellson agrees not to draw against the existing letter of credit issued by Accord Financial Ltd. ("**Accord**").

Conditions Precedent to Strellson Facilities: The obligation of Strellson to provide the Strellson Facilities will be subject to evidence being given to Strellson as to delivery of and compliance with, including but not limited to the followings conditions:

Replacement of TD: Satisfactory documentation from TD for the release of its first priority security position and / or assignment of its rights and obligations under the TD Loan Agreement to and in favour of Strellson.

Amending Agreements: An amending agreement between Strellson and the Borrower to amend the TD Loan Agreement (or a new loan agreement, in the event that TD does not assign to Strellson its interest in the TD Loan Agreement and the TD Security (the "**New Agreement**")) to, among other things:

- adjust financial covenants for the fiscal year 2017 by deleting the "Tangible Net Worth" and "Debt Service Coverage Ratio" covenants, as those terms are defined in the TD Loan Agreement and adding new financial covenants, relating to the Richter business plan (financial plan of February 24, 2017 developed with Richter Advisory Group Inc. ("**Richter**") and agreed to by Strellmax (the "**Richter Model**")) – i.e. compliance with the projected cash receipts, cash disbursements and net income [for all three aforementioned points Feb to Oct 2017];
- negotiate comparable financial covenants for the fiscal year 2018 and 2019 as for 2017 based on a "Richter plan" which the Borrower will set up with the help of Richter and which requires prior approval of

Strellson;

- revise the borrowing base calculation;
- revise the form of monthly compliance certificate;
- require normal course payments from the Borrower and affiliates (i.e. for inventory and license fees) be paid within existing trade terms;
- define restricted payments and prohibit dividend payments to the Shareholder;
- require the Borrower to observe and perform certain milestones, relating to the restructuring of the business of the Borrower, within the time frames set out therein, including but not limited to: (i) the Borrower will make best efforts to obtain, on or before the end of March 2017, rent concessions for the calendar year 2017 in the amount of approximately \$200,000.00. If such rent concessions cannot be achieved on or before the end of March 2017, the Borrower will achieve corresponding efficiencies/financial savings by other means, on or before the end of May 2017; (ii) the Borrower will, on or before the end of April 2017, achieve labor efficiencies for the calendar year 2017 in the amount of approximately \$100,000.00. Notwithstanding the foregoing, provided that the Borrower achieves compliance with the Richter Model, the Borrower shall be deemed to be in compliance with the financial covenants of this bullet point (labor efficiencies, rent concessions) made by the Borrower in favour of Strellson; and
- make such other amendments as Strellson and its legal counsel consider reasonable.

Accord Financial: The Borrower shall obtain from Accord: (i.) the written consent of Accord in respect of the Strellson Facilities including without limitation, the Amending Agreement or the New Agreement, as applicable; and (ii.) to the extent applicable (i.e. if TD releases the TD Loan Agreement and the TD Security instead of assigning it to Strellson) a priorities agreement.

Shareholder Sale of Equity: (i.) Shareholder will provide an option to Strellson, to be exercised at the sole discretion of Strellson, expiring at the end of fiscal year 2017 (October 2017) for the purchase of 15% of the common shares of the Borrower for the consideration of \$1; and (ii.) a shareholder agreement in respect of the Borrower.

Financial Disclosure / Due Diligence: Satisfactory evidence of Mark Altow's personal net worth including, but not limited to, financial statements, a net worth statement, credit checks and bank statements showing a personal net worth, which ensures that Mark Altow can fulfill the obligations to Strellson under his personal guarantee in the amount of \$1,000,000.00.

Cash Flow Management: A blocked accounts agreement with TD (or other financial institution where the Borrower has deposit accounts).

Additional Security: Such confirmation of security or additional security from the Borrower and Guarantors as Strellson and its legal counsel may require, acting reasonable.

Business Plan: An integrated financial business plan (including profit and loss, balance sheet and cash flow statement) prepared by Richter and agreed to by Strellmax with schedule and plan for implementation for years 2017-2019 (2017 and 2018 on a monthly basis) detailing the plan as of February 24, 2017.

Governance: Governance structure to be reviewed and revised to the satisfaction of Strellson with a representative of Strellson to be appointed as a director of the Borrower and/or part of an advisory council.

Additional Reporting Obligations:

Financial reporting to be provided to Strellson and Richter on a monthly basis, within 20 calendar days following each month end including, without limitation:

- unaudited financial statements,
- cash flow projections,
- integrated financial model for 2017 - 2019,
- compliance certificate; and
- such other financial and operating information as Strellson, its legal counsel and Richter may consider reasonable.

Additional Expenses: All expenses of Strellson, including legal costs and consulting fees, in respect of the negotiation and preparation of loan and security documentation whether or not consummated or entered into and enforcement of same, will be for the account of the Borrower, provided for greater certainty that any fees or costs incurred by Strellson in respect of services provided by Richter shall not be included in the foregoing.

Non-Binding LOI: This LOI is not a committed offer to lend or to supply the February/March Shipments and no credit review has been performed by Strellson. Furthermore, the LOI is not exhaustive as to the terms and conditions that would be included in a committed offer to lend or the definitive credit documentation that would ultimately be required to consummate the transaction contemplated hereby. Nothing herein shall constitute a legally binding agreement of either party, and is intended to be for discussion purposes only. Unless definitive documentation is entered into in writing by the parties, regardless of the reason that such definitive documentation is not executed, except as otherwise provided herein, neither of the parties shall be under any obligation to the other for damages, expenses or otherwise, irrespective of any negotiations, agreements or understandings heretofore or hereafter existing between the parties, and irrespective of any implied course of conduct between the parties.

Currency: All amounts herein are in Canadian dollars.

Governing Law: Province of Ontario and the laws of Canada applicable in such Province.

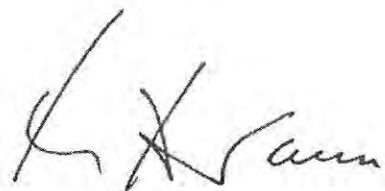
Yours Truly,

STRELLSON AG

Per: 2.3.2017 *V. Gomon*

Name: *Valeria Gomon*

Title: *CFO*



ACCEPTANCE OF LETTER OF INTENT
MADE BY STRELLSON AG
TO STRELLMAX INC.
DATED MARCH 01, 2017

We have read and reviewed the terms and conditions of the Letter of Intent attached hereto. We have full knowledge of this matter and as authorized officer(s) of the parties indicated below and we are duly authorized to execute this Letter of Intent for such named parties.

Dated at TORONTO, this 1st day of March, 2017.

APPROVED AND ACCEPTED

STRELLMAX LTD.

Per: [Signature]
Name: MARK ALTOW
Title: PRESIDENT

ADAMRAY INVESTMENTS INC.

Per: [Signature]
Name: MARK ALTOW
Title: PRESIDENT

[Signature]
Witness - Signature

[Signature]
Mark Altow - Signature

[Signature]
Witness - Signature

[Signature]
Frances Altow - Signature

EXHIBIT

F

This is **Exhibit “F”** referred to in the
Affidavit of Marcel Braun sworn before me
this 30th day of June, 2017



A commissioner for taking affidavits

Mark Graham McAuley, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires May 8, 2020.



June 30, 2017

Private and Confidential

By Email, Courier and Registered Mail

STRELLMAX LTD.

3725 Chesswood Drive
North York, Ontario,
M3J 2P6

Attention: Mark Altow

Leila Burden Nixon
Direct 416-862-4402
leila.burden@gowlings.com
File no. T1010704

Dear Sirs/Mesdames:

Re: Credit Facilities extended to Strellmax Ltd. (the “Borrower”) as assigned to Strellson AG (the “Lender”) by Toronto-Dominion Bank (the “Original Lender”)

Reference is made to a commitment letter entered into between the Borrower and the Original Lender dated as of June 6, 2016, as amended by an amending agreement dated December 6, 2016 (collectively, together with all written modifications, amendments, revisions, restatements and replacements, the “**Commitment Letter**”).

On June 30, 2017, pursuant to an assignment agreement, entered into between the Original Lender and the Lender, the Original Lender assigned all of its rights and obligations under the Commitment Letter to the Lender.

Accordingly, the existing and continuing defaults known to the Lender are listed in **Schedule A** to this letter.

You have indicated that the Borrower is no longer able to satisfy its obligations as they become due. According to the Lender’s records, the Borrower is indebted or otherwise liable to the Lender under the Commitment Letter for the amounts set out in **Schedule B** to this letter (collectively, the “**Indebtedness**”).

The Lender demands payment in full of the Indebtedness from the Borrower. Interest on the Indebtedness has accrued and will continue to accrue to the date of payment at the rate set out in **Schedule B** to this letter. The exact amount of the Indebtedness and interest which will have accrued to any date of payment shall be obtained by contacting the Lender. You will also be required to pay the Lender’s legal and other expenses in connection with the Indebtedness.

This letter constitutes a demand for payment and acceleration of payment under the terms and conditions of the Commitment Letter and the terms and conditions of all security held by the Lender directly or indirectly for any of the Indebtedness, including all loan agreements, promissory notes, guarantees and other agreements governing the Indebtedness, and under all security instruments held for the Indebtedness, (collectively, the “**Security**”) and is made without prejudice to (a) the Lender's rights to make such further and other demands as it shall see fit for any other indebtedness or under any other security, and (b) the Lender’s rights to provide further and other notices of default.

GOWLING WLG (CANADA) LLP
1 First Canadian Place, 100 King Street West,
Suite 1600, Toronto, Ontario M5X 1G5 Canada

T +1 (416) 862-7525
F +1 (416) 862-7661
gowingwlg.com

Gowling WLG (Canada) LLP is a member of Gowling WLG, an international law firm which consists of independent and autonomous entities providing services around the world. Our structure is explained in more detail at gowingwlg.com/legal.

Unless payment or arrangements satisfactory to the Lender for payment of the Indebtedness are made by no later than 4:00 p.m. on July 17, 2017 (Toronto time), the Lender may take any further steps that it deems necessary to recover payment of the Indebtedness. These steps shall include the enforcement of the Security by way of the appointment of an interim receiver, court appointed receiver and manager, a private receiver and manager, or an agent under the Security. The Lender expressly reserves the right to take any steps it deems advisable to protect the Lender's position prior to that date.

We also enclose a notice of intention issued by the Lender under Section 244 of the *Bankruptcy and Insolvency Act* (Canada) for the Borrower.

The Lender expressly reserves its rights and remedies with respect to any defaults that shall now exist or hereafter arise under the Commitment Letter.

Yours very truly,

Gowling WLG (Canada) LLP



Leila Burden Nixon

cc: David F.W. Cohen - Gowling WLG (Canada) LLP
Leila Burden Nixon - Gowling WLG (Canada) LLP
Frank Lamie - Gowling WLG (Canada) LLP

SCHEDULE A
EXISTING DEFAULTS

- (1) A material adverse change has occurred in the financial condition, business operations and future prospect of the Borrower.
- (2) A breach has occurred under the General Security Agreement granted by the Borrower in favor of the Original Lender dated July 11, 2012, as the Borrower has failed to pay indebtedness owed to certain third parties at maturity, including the Lender in its capacity as a trade creditor, and such breach continued un-remedied for 5 Business Days after occurrence (Terms and Conditions to the Commitment Letter – Section 10(d)).

SCHEDULE B

INDEBTEDNESS OF THE BORROWER

Approximate Existing Indebtedness under the Commitment Letter as at June 30, 2017:

Facility	Currency	Principal	Interest	Total
Operating Loan	CAD	\$ 2,530,752.85	\$290.34	\$2,531,043.19
Term Loan	CAD	\$1,066,666.68	\$1,170.41	\$1,067,837.09
Billed Legal Fees	CAD	\$21,455.20	n/a	\$21,455.20
Legal Fees ¹	CAD	\$7,474.85	n/a	\$7,474.85
Cash Collateral	CAD	\$71,500	n/a	\$71,500
Total	CAD	\$3,697,849.58	\$1,460.75	\$3,699,310.33

EXHIBIT

G

This is **Exhibit “G”** referred to in the
Affidavit of Marcel Braun sworn before me
this 30th day of June, 2017



A commissioner for taking affidavits

Mark Graham McAuley, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires May 8, 2020.

BANKRUPTCY AND INSOLVENCY ACT**FORM 86****Notice of Intention to Enforce Security**
(Rule 124)**TO: STRELLMAX LTD., an insolvent person**

Take notice that:

1. **STRELLSON AG**, a secured creditor, intends to enforce its security on the property of the insolvent person described below:

All of the property, assets, and undertaking charged by the security described in paragraph 2 of this Notice.
2. The security that is to be enforced is in the form of:

See Schedule "A".
3. The total amount of indebtedness secured by the security is:

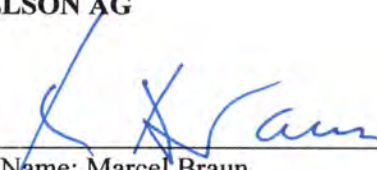
See Schedule "B".
4. The secured creditor will not have the right to enforce the security until after the expiration of the ten (10) day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

[Signature Page Follows]

DATED at Toronto this 30th day of June, 2017.

STRELLSON AG

Per:


Name: Marcel Braun
Title: Chief Executive Officer

Per:

Name: Valeria Gomon
Title: Chief Financial Officer

DATED at Toronto this 30th day of June, 2017.

STRELLSON AG

Per: _____
Name: Marcel Braun
Title: Chief Executive Officer

Per: V. Gomon
Name: ~~Marcel Braun~~ Valeria Gomon
Title: Chief Executive Officer

SCHEDULE "A"**SECURITY DOCUMENTS**

1. General Security Agreement dated as of July 11, 2012, granted in favour of the Toronto-Dominion Bank ("**TD**"), as assigned to Strellson AG ("**Strellson**") pursuant to an assignment dated as of June 30, 2017, between TD and Strellson (the "**Assignment Agreement**").
2. Assignment of Term Deposits and Credit Balances dated as of December 7, 2015, granted in favour of the Toronto-Dominion Bank, as assigned to Strellson pursuant to the Assignment Agreement.

SCHEDULE B

INDEBTEDNESS OF THE BORROWER


Approximate Existing Indebtedness under the Commitment Letter as at June 30, 2017:

Facility	Currency	Principal	Interest	Total
Operating Loan	CAD	\$ 2,530,752.85	\$290.34	\$2,531,043.19
Term Loan	CAD	\$1,066,666.68	\$1,170.41	\$1,067,837.09
Billed Legal Fees	CAD	\$21,455.20	n/a	\$21,455.20
Legal Fees ¹	CAD	\$7,474.85	n/a	\$7,474.85
Cash Collateral	CAD	\$71,500	n/a	\$71,500
Total	CAD	\$3,697,849.58	\$1,460.75	\$3,699,310.33

EXHIBIT

H

This is **Exhibit "H"** referred to in the
Affidavit of Marcel Braun sworn before me
this 30th day of June, 2017



A commissioner for taking affidavits

*Mark Graham McAuley, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires May 8, 2020.*

CONSENT

TO: Strellson AG ("Strellson")

AND TO: Gowling WLG (Canada) LLP

Strellmax Ltd. (the "Debtor") acknowledges receipt of a Notice of Intention to Enforce Security delivered by Strellson on June 30, 2017. For consideration received, the receipt and sufficiency of which is hereby acknowledged, the Debtor consents to the immediate enforcement of the security granted by the Debtor to Strellson and waives the statutory notice period provided for under the *Bankruptcy and Insolvency Act* R.S.C., 1985, c. B-3, and the right to any delay by or any further notice from Strellson with respect to the enforcement of its security and the exercise of any other remedy Strellson may have against the Debtor.

Date at Toronto this 30 day of June, 2017.

STRELLMAX LTD.

By: 

Name: Mark Altow

Title: President

EXHIBIT

I

This is **Exhibit "I"** referred to in the
Affidavit of Marcel Braun sworn before me
this 30th day of June, 2017



A commissioner for taking affidavits

Mark Graham McAuley, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires May 8, 2020.

Court File No. CV-

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

**APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O.
1990, c. C-43,, AS AMENDED**

BETWEEN:

STRELLSON AG

Applicant

- and -

STRELLMAX LTD.

Respondent

CONSENT TO ACT AS RECEIVER

RICHTER ADVISORY GROUP INC., a Licensed Insolvency Trustee, hereby consents to act as Court Appointed Receiver of the property, assets and undertaking of the Respondent, Strellmax Ltd., upon the application of Strellson AG.

DATED at Toronto, Ontario this 30 day of June, 2017.

RICHTER ADVISORY GROUP INC.

Per: _____

B E T W E E N:

STRELLSON AG
Applicant

- and -

STRELLMAX LTD.
Respondent

APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. c-43, as amended

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)
(PROCEEDING COMMENCED AT TORONTO)

AFFIDAVIT OF MARCEL BRUAN

GOWLING WLG (CANADA) LLP
Barristers & Solicitors
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LAWYERS FOR THE APPLICANT, STRELLSON AG

TAB 3

Court File No.

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

THE HONOURABLE) FRIDAY, THE 7th DAY
 JUSTICE ■) OF JULY, 2017

STRELLSON AG

Applicant

- and -

STRELLMAX LTD.

Respondent

APPLICATION UNDER section 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended and section 101 of the Courts of Justice Act, R.S.O. 1990, c. c-43, as amended

ORDER**(Appointing Receiver)**

THIS APPLICATION made by Strellson AG (the "**Applicant**") for: (i) an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing Richter Advisory Group Inc. ("**Richter**") as receiver (the "**Receiver**") without security, of the assets, undertakings and properties of Strellmax Ltd. (the "**Debtor**") comprising, acquired for, or used in relation to, the business carried on by the Debtor; and (ii.) an Order approving a sale transaction in respect of certain assets (the "**Purchased Assets**") of the Debtor contemplated by an asset purchase agreement (the "**APA**"), to be entered into between the Company, the Applicant (in such capacity, the "**Purchaser**"), and the Receiver, in the form appended to the Pre-Appointment Report of the Receiver dated ■, 2017 (the "**Pre-Appointment Report**"), and vesting in the Purchaser the Company's right, title and interest in and to the Purchased Assets, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Marcel Braun sworn June 30, 2017, and the Exhibits thereto, and the Pre-Appointment Report and the Appendices thereto, and on hearing the submissions of counsel for the Applicant, counsel for the proposed Receiver, counsel for the Debtor, and those other parties

listed on the counsel slip, no one appearing for any other person although duly served as appears from the affidavit of service of ■ sworn ■, 2017, filed, and on reading the consent of Richter to act as the Receiver,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application, the Application Record and the Pre-Appointment Report is hereby abridged and that this Application is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. **THIS COURT ORDERS** that, pursuant to section 243(1) of the BIA and section 101 of the CJA, Richter is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor comprising, acquired for or used in relation to the business (the "**Business**") carried on by the Debtor, including all proceeds thereof (the "**Property**").

3. **THIS COURT ORDERS** that subject to further Order of this Court, and subject to paragraph 7 hereof, the Debtor shall remain in possession and control of the Property and shall remain in day to day operation and control of the Business, subject at all times to the provisions of the Sale Guidelines, and the Receiver shall not be or be deemed to be in possession and control of the Property save and except as specifically provided for herein or pursuant to steps actually taken by the Receiver with respect to the Property under the permissive powers granted to the Receiver pursuant to paragraph 11 of this Order (the "**Permissive Powers**").

4. **THIS COURT ORDERS** that the Debtor shall be entitled to continue to utilize its central cash management system currently in place with Toronto-Dominion Bank ("**TD**") or, with the prior written consent of the Receiver, replace it with another substantially similar central cash management system (the "**Cash Management System**") and that TD or any future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Debtor or Receiver of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, and shall be entitled to provide the Cash Management System without any liability in respect thereof to any person other than the Debtor, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unstayed and unaffected creditor with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

LIQUIDATION SALE

5. **THIS COURT ORDERS** that the Sale Guidelines attached hereto as Schedule “A” (the “**Sale Guidelines**”) and the transactions contemplated therein and thereunder are hereby approved, authorized and ratified.

6. **THIS COURT ORDERS** that the Debtor is authorized to, market and sell its assets not subject to the APA through a liquidation sale (“**Sale**”) conducted by the Debtor under the supervision of the Receiver at the Closing Stores (as that term is defined in the Sale Guidelines), in accordance with the Sale Guidelines, 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 on or prior to the date this Order or came 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 limitation, the Administration Charge and the Director’s Charge (each as defined below), and any other charges hereafter granted by this Court in these proceedings, and all Claims, charges, security interests or liens evidenced by registration pursuant to the *Personal Property Security Act* (Ontario) (the “**PPSA**”) or any other personal or removable property registration system (all such Claims, charges, security interests and liens collectively referred to herein as “**Encumbrances**”), and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the assets sold in accordance with this paragraph 6 are hereby expunged and discharged as against such assets.

RECEIVER'S POWERS

Mandatory Powers

7. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to act at once in respect of and take possession and control of all of the Debtor's funds, cash, cash equivalents, investment items, treasury items, bank accounts, accounts with other financial institutions, including without limitation all proceeds in respect of the Sale and the APA (collectively “**Treasury Assets**”).

8. **THIS COURT ORDERS** that the Receiver is authorized and directed to remit to the Debtor sufficient funding from the Treasury Assets to operate the Business. Without limiting the foregoing, the Receiver is authorized and hereby directed to remit sufficient funds to the Debtor to enable the Debtor to pay the rent in full for the month of July, 2017 under each of the debtor's stores, head office, distribution

centres and other real property leases (the "**Leases**"), to the extent such amounts have not already been remitted by the Debtor. Commencing on August 1, 2017, rent under all Leases (save and except any component of rent comprising percentage rent which shall be calculated and paid in accordance with the terms of the Lease) shall be paid by the Debtor twice monthly in advance in equal payments, up to and including the effective date of any notice of repudiation delivered by the Debtor to the relevant landlord, and the Receiver be and is hereby authorized and directed to remit to the Debtor sufficient funding from Treasury Assets to enable the Debtor to make such in advance rent payments in accordance herewith.

9. **THIS COURT ORDERS** that notwithstanding any term of this Order, but subject to the rights of the Receiver to repudiate, and any trustee in bankruptcy that may be appointed in respect of the Debtor, to disclaim, retain, or assign Leases:

- (a) any charges created by this Order over the Leases shall only be a charge in the Debtor's interest in such Leases;
- (b) except as expressly permitted by the terms of the Leases, none of the Leases shall be amended or varied or deemed to be amended or varied, in any way without obtaining the prior written consent of the applicable landlord or without further Order of this Court;
- (c) the Debtor shall provide the relevant landlord(s) with at least fifteen (15) days' prior notice of the intention to repudiate a Lease (the "**Repudiation Notice Period**");
- (d) if a notice of repudiation is delivered by the Debtor in respect of a Lease, then (a) during the Repudiation Notice Period, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Debtor 24 hours prior written notice, and (b) at the effective time of the repudiation, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Debtor in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation, if any, to mitigate any damages claimed in connection therewith.

10. **THIS COURT ORDERS** that the Debtor shall provide each of the relevant landlords with notice of the Debtor's intention to remove any fixtures from any leased premises at least six days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Debtor's entitlement to remove

any such fixture under the provisions of the Lease, such fixture shall remain on the premises and shall be dealt with as agreed between such landlord, the Debtor and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days' notice to such landlord. If the Debtor repudiates the Lease governing such leased premises it shall not be required to pay rent under such lease pending resolution of any such dispute (other than rent payable for the Repudiation Notice Period), and the repudiation of the Lease shall be without prejudice to the Debtor's or Receiver's claim to the fixtures in dispute.

Permissive Powers

11. **THIS COURT ORDERS** that subject at all times to paragraph 7 above relating to Treasury Assets, the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized, but not obligated, to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises, or other assets to continue the business of the Debtor or any parts thereof;

- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to sell, convey, transfer, lease or assign any Property or any part or parts thereof out of the ordinary course of business, without the approval of this Court in respect of any transaction not exceeding \$25,000, provided that the aggregate consideration for all such transactions does not exceed \$200,000; and with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amounts set out above, and in each such case notice under subsection 63(4) of the PPSA, shall not be required.
- (k) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (l) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (m) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property; and

- (n) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons, including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

12. **THIS COURT ORDERS** that: (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control and shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

13. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 13 or in paragraph 14 of this Order shall require the delivery of the Records, or the granting of access to the Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

14. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for

the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

15. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

16. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

17. **THIS COURT ORDERS** that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall: (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

18. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

19. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Debtor and/or Receiver, and that the Debtor and/or Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Debtor or as may be ordered by this Court.

NO PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

20. **THIS COURT ORDERS** that no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Debtor with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Debtor whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, without first obtaining leave of the Court on not less than seven days' notice to the Service List in these proceedings.

RECEIVER TO HOLD FUNDS

21. **THIS COURT ORDERS** that all Treasury Assets received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the Sale, the APA or the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into (i) one or more of the Receiver's new accounts to be opened by the Receiver (the "**Post Receivership Accounts**"); or (ii) one of the Debtor's existing accounts with TD which accounts shall be swept on a daily basis, or as soon as practicable, and the proceeds deposited into the Post Receivership Accounts, and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

22. **THIS COURT ORDERS** that all employees of the Debtor shall remain the employees of the Debtor until such time as the Debtor may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including, any successor employer liabilities as provided for in section 14.06(1.2) of the BIA.

D&O CHARGE

23. **THIS COURT ORDERS** that the Debtor shall indemnify its directors and officers (the “**D&O**”) against obligations and liabilities that they may incur as D&O of the Debtor after the commencement of the within proceedings, except to the extent that, with respect to any D&O, the obligation or liability was incurred as a result of the D&O’s gross negligence or wilful misconduct.

24. **THIS COURT ORDERS** that the D&O shall be entitled to the benefit of and are hereby granted a charge (the “**D&O Charge**”) on the Property, which charge shall not exceed an aggregate amount of \$150,000.00, as security for the indemnity provided in paragraph 23 of this Order. The D&O Charge shall have the priority set out in paragraphs 33 and 35 herein.

25. **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 D&O shall only be entitled to the benefit of the D&O Charge to the extent that they do not have coverage under any D&O insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 23 of this Order.

PIPEDA

26. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Debtor and Receiver shall be authorized to disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sale. Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of a sale, and if it does not complete a sale, shall return all such information to the Debtor or Receiver, as the case may be, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the

Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

27. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

28. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment, the carrying out of the provisions of this Order, or arising from the Debtor's operation of the Business, including any liability or obligation in respect of taxes, withholdings, interest, penalties or other like claims, save and except for any gross negligence or wilful misconduct on its part, and it shall have no obligations under sections 81.4(5) or 81.6(3) of the BIA. Nothing in this Order shall derogate from the protections afforded to the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

29. **THIS COURT ORDERS** that the Receiver, counsel to the Receiver, and counsel to the Debtor shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver, counsel to the Receiver and counsel to the Debtor shall be entitled to and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed the amount of \$400,000.00 in the aggregate unless further ordered by the Court, as security for such fees and disbursements, 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 33 through 36. For clarity, counsel to the Debtor's access to the Administration Charge is solely for fees incurred and accrued on and after the date of this Order.

30. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

31. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel and counsel to the Debtor, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

32. **THIS COURT ORDERS** that the Receiver, in consultation with the Applicant shall be at liberty and it is hereby empowered to utilize the funds in the Post Receivership Accounts from time to time for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, and funding the Debtor's operations.

VALIDITY AND PRIORITY OF CHARGES

33. **THIS COURT ORDERS** that the priorities of the Administration Charge and the D&O Charge, as between them, shall be as follows:

First — the Administration Charge up to \$400,000.00

Second — the D&O Charge up to \$150,000.00

34. **THIS COURT ORDERS** that the filing, registration, or perfection of the Administration Charge and the D&O Charge (collectively, 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.

35. **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property in priority to any security interests of the Applicant as well as all other security interests, trusts, liens,

charges and encumbrances, statutory or otherwise, which are properly perfected security interests as of the date of this Order in favour of any other Person but subject to sections 14.06(7), 81.4(4) and 81.6(2) of the BIA.

36. **THIS COURT ORDERS** that any Charge created by this Order over Leases of real property in Canada shall only be a Charge in the Debtor's interest in such Lease.

SERVICE AND NOTICE

37. **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/scypractice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05, this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the 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/S/Strellmax-Ltd>

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

GENERAL

39. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder and is hereby authorized and empowered, but not obligated, to cause the Debtor to make an assignment in bankruptcy and that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

40. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United Kingdom or in the United States to give

effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

41. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, Or the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

42. **THIS COURT ORDERS** that the Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

43. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

Schedule “A”
Sale Guidelines

The following procedures shall apply to the sale (“**Sale**”) to be conducted at the Closing Stores (as defined below) of Strellmax Ltd. (the “**Debtor**”).

1. Except as otherwise expressly set out herein, and subject to: (i) the Appointment Order or any further Order of the Court; (ii) any subsequent written agreement between the Debtor or Richter Advisory Services Inc., solely in its capacity as court-appointed Receiver of the Debtor (the “**Receiver**”) and the applicable landlord(s) (individually, a “**Landlord**” and, collectively, the “**Landlords**”); 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 (individually, a “**Lease**” and, collectively, the “**Leases**”) for the following stores:

- (a) 170 Bloor Street West, Toronto, Ontario;
- (b) 3401 Dufferin Street, Toronto, Ontario;
- (c) 2901 Bayview Avenue, Toronto, Ontario;
- (d) 50 Rideau Street, Unit E304, Ottawa, Ontario; and
- (e) 1108 Alberni Street, Vancouver, British Columbia.

(collectively the “**Closing Stores**”, each a “**Closing Store**”)

2. However, nothing contained herein shall be construed to create or impose upon the Debtor or the Receiver any additional restrictions not contained in the applicable Lease or other occupancy agreement.

3. The Sale shall be conducted so that each of the Closing Stores remain open during their normal hours of operation provided for in the respective Leases for the Closing Stores. The Sale at the Closing Stores shall end by no later than •, 2017. Any Rent payable under the respective Leases shall be paid as provided in the Appointment Order.

4. The Sale shall be conducted in accordance with applicable federal, provincial and municipal laws and regulations, unless otherwise ordered by the Court.

5. All display and hanging signs used by the Debtor in connection with the Sale shall be professionally produced and all hanging signs shall be hung in a professional manner. The Debtor may advertise the Sale at the Closing Stores as a “store closing”, “everything on sale”, “everything must go”, 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” sale 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 or the Receiver, the Debtor shall provide the proposed signage packages along with the proposed dimensions and number of signs by e-mail or

facsimile to the applicable Landlords or to their counsel of record and the applicable Landlord shall notify the Debtor of any requirement for such signage to otherwise comply with the terms of the Lease and/or these Sale Guidelines and where the provisions of the Lease conflicts with these Sale Guidelines, these Sale Guidelines shall govern. The Debtor 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 Debtor 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 or the Landlord requests in writing that the banner are not to be used, no banner shall be used absent further Order of the Court, which may be sought on an expedited basis on notice to the Landlord. 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 facade 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 Debtor. 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 Debtor and the Landlord will discuss the Landlord's concerns and work to resolve the dispute.

6. The Debtor shall be permitted to utilize sign walkers and street signage, provided, however, such sign walkers and street signage shall not be located on any applicable shopping centre or mall premises.
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 Debtor 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 Debtor may solicit customers in the Closing Stores themselves. The Debtor 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 Debtor 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 the FF&E (as defined below)) may be removed without the Landlord's written consent unless otherwise provided by the applicable Lease. Any fixtures or personal property left in a Closed Store after its lease has been repudiated by the Receiver and vacated by the Debtor 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 Debtor may sell furniture, trade fixtures and equipment owned by the Debtor (“**Owned FF&E**”), located in the Closing Stores during the Sale. The Debtor may advertise the sale of Owned FF&E consistent with these guidelines on the understanding that any Landlord may require that such signs be placed in discreet locations within the Closing Stores acceptable to the Landlord, acting reasonably. Additionally, the purchasers of any Owned FF&E sold during the Sale shall only be permitted to remove the Owned FF&E either through the back shipping areas designated by the Landlord or through other areas after regular store business hours or through the front door of the Closing Store during business hours if the Owned FF&E can fit in a shopping bag, with Landlord’s supervision as required by the Landlord. The Debtor shall repair any damage to the Closing Stores resulting from the removal of any and all furniture, trade fixtures and equipment, including the Owned FF&E (collectively “**FF&E**”) by the Debtor or by third party purchasers of Owned FF&E from the Debtor.
11. The Debtor 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.
12. The Debtor hereby provides notice to the Landlords of the Debtor’s intention to sell and remove FF&E from the Closing Stores. The Debtor will arrange with each Landlord represented by counsel on the service list or directed by the Landlord and with any other Landlord that so requests, a walk through with the Debtor 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 Debtor’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 to between the Receiver, the Debtor and such Landlord, or by further Order of the Court upon a motion by the Receiver on at least two (2) days’ notice to such Landlord. If the Debtor or the Receiver has repudiated the Lease governing such Closing Store in accordance with the Appointment Order, 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 Appointment Order), and the repudiation of the Lease shall be without prejudice to the Receiver’s or the Debtor’s claim to the FF&E in dispute.
13. If a notice of repudiation is delivered pursuant to the Appointment Order 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 repudiation, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Debtor and the Receiver 24 hours’ prior written notice; and (b) at the effective time of the repudiation, 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 Debtor 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.

14. The Debtor and, where appropriate, the Receiver, shall not conduct any auctions of merchandise or FF&E at any of the Closing Stores.
15. If a Landlord and the Debtor are unable to resolve any dispute that may arise in connection with these Sale Guidelines or the Sale more generally, between themselves, the Landlord or the Receiver 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 Debtor 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 Debtor 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 Debtor, the Receiver, 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).

Court File No. CV-

B E T W E E N:**STRELLSON AG**
Applicant

- and -

STRELLMAX LTD.
Respondent**APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. c-43, as amended****ONTARIO**
SUPERIOR COURT OF JUSTICE
(Commercial List)
(PROCEEDING COMMENCED AT TORONTO)**ORDER**
(Appointing Receiver)**GOWLING WLG (CANADA) LLP**
Barristers & Solicitors
1 First Canadian Place
100 King Street West, Suite 1600
Toronto ON M5X 1G5**David F. W. Cohen (LSUC No. 33195Q)**
Tel: (416) 369-6667
Fax: (416) 862-7661**Frank D. Lamie (LSUC No. 54035S)**
Tel: (416) 862-3609
Fax: (416) 862-7661**Thomas Gertner (LSUC. No. 67756S)**
Tel: (416) 369-4618
Fax: (416) 862-7661

LAWYERS FOR THE APPLICANT, STRELLSON AG

TAB 4

—†—

Revised: January 21, 2014
~~s.243(1) BIA (National Receiver) and s. 101 CJA (Ontario) Receiver~~

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE)	WEEKDAY, THE #
JUSTICE)	DAY OF MONTH, 20YR

PLAINTIFF

Plaintiff

<u>THE HONOURABLE</u>)	<u>FRIDAY, THE 7th DAY</u>
<u>JUSTICE</u>)	<u>OF JULY, 2017</u>

STRELLSON AGApplicant

- and -

DEFENDANT

Defendant

STRELLMAX LTD.Respondent

APPLICATION UNDER section 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended and section 101 of the Courts of Justice Act, R.S.O. 1990, c. c-43, as amended

ORDER
(~~appointing~~)
(Appointing Receiver)

THIS MOTION APPLICATION made by Strellson AG (the **Plaintiff Applicant**) for: (i) an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing ~~[RECEIVER'S NAME]~~ Richter Advisory Group Inc. ("Richter") as receiver ~~[and manager]~~ ~~(in such capacities,~~ (the "**Receiver**") without security, of ~~all of~~ the assets, undertakings and properties of ~~[DEBTOR'S NAME]~~ Strellmax Ltd. (the "**Debtor**") comprising, acquired for, or used in relation to ~~a~~ the business carried on by the Debtor; and (ii.) an Order approving a sale transaction in respect of certain assets (the "Purchased Assets") of the Debtor contemplated by an asset purchase agreement (the "APA"), to be entered into between the Company, the Applicant (in such capacity, the "Purchaser"), and the Receiver, in the form appended to the Pre-Appointment Report of the Receiver dated ■, 2017 (the "Pre-Appointment Report"), and vesting in the Purchaser the Company's right, title and interest in and to the Purchased Assets, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of ~~[NAME]~~ Marcel Braun sworn ~~[DATE]~~ June 30, 2017, and the Exhibits thereto, and the Pre-Appointment Report and the Appendices thereto, and on hearing the submissions of counsel for ~~[NAMES]~~ the Applicant, counsel for the proposed Receiver, counsel for the Debtor, and those other parties listed on the counsel slip, no one appearing for ~~[NAME]~~ any other person although duly served as appears from the affidavit of service of ~~[NAME]~~ ■ sworn ~~[DATE]~~ ■, 2017, filed, and on reading the consent of ~~[RECEIVER'S NAME]~~ Richter to act as the Receiver,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of ~~Motion~~ Application, the Application Record and the ~~Motion~~ Pre-Appointment Report is hereby abridged and ~~validated so~~ that this ~~motion~~ Application is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. **THIS COURT ORDERS** that, pursuant to section 243(1) of the BIA and section 101 of the CJA, ~~[RECEIVER'S NAME]~~ Richter is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor comprising, acquired for, or used in relation to ~~a~~ the business (the "Business") carried on by the Debtor, including all proceeds thereof (the "**Property**").

3. **THIS COURT ORDERS** that subject to further Order of this Court, and subject to paragraph 7 hereof, the Debtor shall remain in possession and control of the Property and shall remain in day to day

operation and control of the Business, subject at all times to the provisions of the Sale Guidelines, and the Receiver shall not be or be deemed to be in possession and control of the Property save and except as specifically provided for herein or pursuant to steps actually taken by the Receiver with respect to the Property under the permissive powers granted to the Receiver pursuant to paragraph 11 of this Order (the "**Permissive Powers**").

4. **THIS COURT ORDERS** that the Debtor shall be entitled to continue to utilize its central cash management system currently in place with Toronto-Dominion Bank ("**TD**") or, with the prior written consent of the Receiver, replace it with another substantially similar central cash management system (the "**Cash Management System**") and that TD or any future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Debtor or Receiver of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, and shall be entitled to provide the Cash Management System without any liability in respect thereof to any person other than the Debtor, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unstayed and unaffected creditor with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

LIQUIDATION SALE

5. **THIS COURT ORDERS** that the Sale Guidelines attached hereto as Schedule "A" (the "**Sale Guidelines**") and the transactions contemplated therein and thereunder are hereby approved, authorized and ratified.

6. **THIS COURT ORDERS** that the Debtor is authorized to, market and sell its assets not subject to the APA through a liquidation sale ("**Sale**") conducted by the Debtor under the supervision of the Receiver at the Closing Stores (as that term is defined in the Sale Guidelines), in accordance with the Sale Guidelines, 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 on or prior to the date this Order or came 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 limitation, the Administration Charge and the Director's Charge (each as defined below), and any other charges hereafter granted by this Court

in these proceedings, and all Claims, charges, security interests or liens evidenced by registration pursuant to the ~~Ontario~~ *Personal Property Security Act* (Ontario) (the "PPSA") or any other personal or removable property registration system (all such Claims, charges, security interests and liens collectively referred to herein as "Encumbrances"), and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the assets sold in accordance with this paragraph 6 are hereby expunged and discharged as against such assets.

RECEIVER'S POWERS

Mandatory Powers

7. ~~3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable: THIS COURT ORDERS~~ that the Receiver is hereby authorized and directed to act at once in respect of and take possession and control of all of the Debtor's funds, cash, cash equivalents, investment items, treasury items, bank accounts, accounts with other financial institutions, including without limitation all proceeds in respect of the Sale and the APA (collectively "**Treasury Assets**").

8. **THIS COURT ORDERS** that the Receiver is authorized and directed to remit to the Debtor sufficient funding from the Treasury Assets to operate the Business. Without limiting the foregoing, the Receiver is authorized and hereby directed to remit sufficient funds to the Debtor to enable the Debtor to pay the rent in full for the month of July, 2017 under each of the debtor's stores, head office, distribution centres and other real property leases (the "**Leases**"), to the extent such amounts have not already been remitted by the Debtor. Commencing on August 1, 2017, rent under all Leases (save and except any component of rent comprising percentage rent which shall be calculated and paid in accordance with the terms of the Lease) shall be paid by the Debtor twice monthly in advance in equal payments, up to and including the effective date of any notice of repudiation delivered by the Debtor to the relevant landlord, and the Receiver be and is hereby authorized and directed to remit to the Debtor sufficient funding from Treasury Assets to enable the Debtor to make such in advance rent payments in accordance herewith.

9. **THIS COURT ORDERS** that notwithstanding any term of this Order, but subject to the rights of the Receiver to repudiate, and *any trustee in bankruptcy that may be appointed in respect of the Debtor*, to disclaim, retain, or assign Leases:

- (a) any charges created by this Order over the Leases shall only be a charge in the Debtor's interest in such Leases;
- (b) except as expressly permitted by the terms of the Leases, none of the Leases shall be amended or varied or deemed to be amended or varied, in any way without obtaining the prior written consent of the applicable landlord or without further Order of this Court;
- (c) the Debtor shall provide the relevant landlord(s) with at least fifteen (15) days' prior notice of the intention to repudiate a Lease (the "**Repudiation Notice Period**");
- (d) if a notice of repudiation is delivered by the Debtor in respect of a Lease, then (a) during the Repudiation Notice Period, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Debtor 24 hours prior written notice, and (b) at the effective time of the repudiation, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Debtor in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation, if any, to mitigate any damages claimed in connection therewith.

10. **THIS COURT ORDERS** that the Debtor shall provide each of the relevant landlords with notice of the Debtor's intention to remove any fixtures from any leased premises at least six days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Debtor's entitlement to remove any such fixture under the provisions of the Lease, such fixture shall remain on the premises and shall be dealt with as agreed between such landlord, the Debtor and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days' notice to such landlord. If the Debtor repudiates the Lease governing such leased premises it shall not be required to pay rent under such lease pending resolution of any such dispute (other than rent payable for the Repudiation Notice Period), and the repudiation of the Lease shall be without prejudice to the Debtor's or Receiver's claim to the fixtures in dispute.

Permissive Powers

11. **THIS COURT ORDERS** that subject at all times to paragraph 7 above relating to Treasury Assets, the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby

expressly empowered and authorized, but not obligated, to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising ~~out~~ of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including ~~;~~ but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises, or other assets to continue the business of the Debtor or any ~~part or~~ parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the

Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- ~~(j)~~ ~~to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;~~
- ~~(k)~~ ~~to sell, convey, transfer, lease or assign the any Property or any part or parts thereof out of the ordinary course of business,~~ ~~(i)~~ without the approval of this Court in respect of any transaction not exceeding \$~~_____~~; 25,000, provided that the aggregate consideration for all such transactions does not exceed \$~~_____~~; 200,000; and ~~(ii)~~ with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable ~~amount~~ amounts set out ~~in the preceding clause;~~ above, and in each such case notice under subsection 63(4) of the ~~Ontario Personal Property Security Act, [or section 31 of the Ontario Mortgages Act, as the case may be,]~~ PPSA, shall not be required, ~~and in each case the Ontario Bulk Sales Act shall not apply.~~
- ~~(l)~~ ~~to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;~~
- ~~(m)~~ ~~to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;~~
- ~~(n)~~ ~~to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;~~
- ~~(o)~~ ~~to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and~~

~~on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;~~

~~(p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor; (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and~~

(n) ~~(r)~~ to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons ~~(as defined below)~~, including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

12. ~~4.~~ **THIS COURT ORDERS** that: (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control; and shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

13. ~~5.~~ **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph ~~5~~13 or in paragraph ~~6~~14 of this Order shall require the delivery of the Records, or the granting of access to the Records, which may not be

disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

14. ~~6.~~ **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

~~7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.~~

NO PROCEEDINGS AGAINST THE RECEIVER

15. ~~8.~~ **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

16. ~~9.~~ **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave

of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

17. ~~10.~~ **THIS COURT ORDERS** that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall: (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

18. ~~11.~~ **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

19. ~~12.~~ **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Debtor and/or Receiver, and that the Debtor and/or Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid ~~by the Receiver~~ in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the ~~Receiver,~~ Debtor or as may be ordered by this Court.

NO PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

20. THIS COURT ORDERS that no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Debtor with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Debtor whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, without first obtaining leave of the Court on not less than seven days' notice to the Service List in these proceedings.

RECEIVER TO HOLD FUNDS

21. ~~13.~~ THIS COURT ORDERS that all ~~funds, monies, cheques, instruments, and other forms of payments~~ Treasury Assets received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the Sale, the APA or the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into (i) one or more of the Receiver's new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") or (ii) one of the Debtor's existing accounts with TD which accounts shall be swept on a daily basis, or as soon as practicable, and the proceeds deposited into the Post Receivership Accounts, and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

22. ~~14.~~ THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as ~~the Receiver, on~~ the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including, any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, ~~other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the Wage Earner Protection Program Act.~~

D&O CHARGE

23. THIS COURT ORDERS that the Debtor shall indemnify its directors and officers (the "D&O") against obligations and liabilities that they may incur as D&O of the Debtor after the commencement of

the within proceedings, except to the extent that, with respect to any D&O, the obligation or liability was incurred as a result of the D&O's gross negligence or wilful misconduct.

24. THIS COURT ORDERS that the D&O shall be entitled to the benefit of and are hereby granted a charge (the "D&O Charge") on the Property, which charge shall not exceed an aggregate amount of \$150,000.00, as security for the indemnity provided in paragraph 23 of this Order. The D&O Charge shall have the priority set out in paragraphs 33 and 35 herein.

25. 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 D&O shall only be entitled to the benefit of the D&O Charge to the extent that they do not have coverage under any D&O insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 23 of this Order.

PIPEDA

26. 15-THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Debtor and Receiver shall be authorized to disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more ~~sales of the Property (each, a "Sale")~~sale. Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of ~~the Sale~~a sale, and if it does not complete a ~~Sale~~sale, shall return all such information to the Debtor or Receiver, as the case may be, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

27. 16-THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation

or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

28. ~~17.~~ **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment ~~or~~, the carrying out of the provisions of this Order, or arising from the Debtor's operation of the Business, including any liability or obligation in respect of taxes, withholdings, interest, penalties or other like claims, save and except for any gross negligence or wilful misconduct on its part, ~~or in respect of its~~ and it shall have no obligations under sections 81.4(5) or 81.6(3) of the BIA ~~or under the Wage Earner Protection Program Act.~~ Nothing in this Order shall derogate from the protections afforded to the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

29. ~~18.~~ **THIS COURT ORDERS** that the Receiver, counsel to the Receiver, and counsel to the ~~Receiver~~ Debtor shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver, counsel to the Receiver and counsel to the ~~Receiver~~ Debtor shall be entitled to and are hereby granted a charge (the "**Receiver's Administration Charge**") on the Property, which charge shall not exceed the amount of \$400,000.00 in the aggregate unless further ordered by the Court, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, ~~and that the Receiver's~~ The Administration Charge shall ~~form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.¹~~ have the priority set out in paragraphs 33 through 36. For clarity, counsel to the Debtor's access to the Administration Charge is solely for fees incurred and accrued on and after the date of this Order.

¹ ~~Note that subsection 243(6) of the BIA provides that the Court may not make such an order "unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations".~~

30. ~~19.~~ **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

31. ~~20.~~ **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel and counsel to the Debtor, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

32. ~~21.~~ **THIS COURT ORDERS** that the Receiver, in consultation with the Applicant shall be at liberty and it is hereby empowered to ~~borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$_____ (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange,~~ utilize the funds in the Post Receivership Accounts from time to time for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, ~~including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all~~ and funding the Debtor's operations.

VALIDITY AND PRIORITY OF CHARGES

33. **THIS COURT ORDERS** that the priorities of the Administration Charge and the D&O Charge, as between them, shall be as follows:

First — the Administration Charge up to \$400,000.00

Second — the D&O Charge up to \$150,000.00

34. **THIS COURT ORDERS** that the filing, registration, or perfection of the Administration Charge and the D&O Charge (collectively, 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.

35. THIS COURT ORDERS that each of the Charges shall constitute a charge on the Property in priority to any security interests of the Applicant as well as all other security interests, trusts, liens, charges and encumbrances, statutory or otherwise, which are properly perfected security interests as of the date of this Order in favour of any other Person; but ~~subordinate in priority to the Receiver's Charge and the charges as set out in~~ subject to sections 14.06(7), 81.4(4); and 81.6(2) of the BIA.

~~36. 22. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under~~ any Charge created by this Order over Leases of real property in Canada shall be enforced without leave of this Court only be a Charge in the Debtor's interest in such Lease.

~~23. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.~~

~~24. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.~~

SERVICE AND NOTICE

~~37. 25. 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/e-service-protocol/http://www.ontariocourts.ca/scypractice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule ~~17.05~~ 17.05, this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the 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/S/Strellmax-Ltd>

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

GENERAL

39. ~~27.~~ **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder. ~~28. THIS COURT ORDERS~~ and is hereby authorized and empowered, but not obligated, to cause the Debtor to make an assignment in bankruptcy and that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

40. ~~29.~~ **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United Kingdom or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

41. ~~30.~~ **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, ~~for~~ Or the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

42. ~~31.~~ **THIS COURT ORDERS** that the ~~Plaintiff~~ Applicant shall have its costs of this ~~motion~~ application, up to and including entry and service of this Order, provided for by the terms of the ~~Plaintiff~~ Applicant's security or, if not so provided by the ~~Plaintiff~~ Applicant's security, then on a

substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

43. ~~32.~~ **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

SCHEDULE "A" Schedule "A"**RECEIVER CERTIFICATE**

CERTIFICATE NO. _____

AMOUNT \$ _____

Sale Guidelines

The following procedures shall apply to the sale ("Sale") to be conducted at the Closing Stores (as defined below) of Strellmax Ltd. (the "Debtor").

1. ~~THIS IS TO CERTIFY that [RECEIVER'S NAME], the receiver (the "Receiver") of the assets, undertakings and properties [DEBTOR'S NAME] acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the ___ day of _____, 20__ (the "Order") made in an action having Court file number ___CL_____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order. Except as otherwise expressly set out herein, and subject to: (i) the Appointment Order or any further Order of the Court; (ii) any subsequent written agreement between the Debtor or Richter Advisory Services Inc., solely in its capacity as court-appointed Receiver of the Debtor (the "Receiver") and the applicable landlord(s) (individually, a "Landlord" and, collectively, the "Landlords"); 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 (individually, a "Lease" and, collectively, the "Leases") for the following stores:~~

(a) 170 Bloor Street West, Toronto, Ontario;

(b) 3401 Dufferin Street, Toronto, Ontario;

(c) 2901 Bayview Avenue, Toronto, Ontario;

(d) 50 Rideau Street, Unit E304, Ottawa, Ontario; and

(e) 1108 Alberni Street, Vancouver, British Columbia.

(collectively the "Closing Stores", each a "Closing Store")

2. ~~The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time. However, nothing contained herein shall be construed to create or impose upon the Debtor or the Receiver any additional restrictions not contained in the applicable Lease or other occupancy agreement.~~

3. ~~Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.~~ The Sale shall be conducted so that each of the Closing Stores remain open during their normal hours of operation provided for in the respective Leases for the Closing Stores. The Sale at the Closing Stores shall end by no later than •, 2017. Any Rent payable under the respective Leases shall be paid as provided in the Appointment Order.
4. ~~All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.~~ The Sale shall be conducted in accordance with applicable federal, provincial and municipal laws and regulations, unless otherwise ordered by the Court.
5. ~~Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.~~ All display and hanging signs used by the Debtor in connection with the Sale shall be professionally produced and all hanging signs shall be hung in a professional manner. The Debtor may advertise the Sale at the Closing Stores as a “store closing”, “everything on sale”, “everything must go”, 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” sale 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 or the Receiver, the Debtor shall provide the proposed signage packages along with the proposed dimensions and number of signs by e-mail or facsimile to the applicable Landlords or to their counsel of record and the applicable Landlord shall notify the Debtor of any requirement for such signage to otherwise comply with the terms of the Lease and/or these Sale Guidelines and where the provisions of the Lease conflicts with these Sale Guidelines, these Sale Guidelines shall govern. The Debtor 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 Debtor 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 or the Landlord requests in writing that the banner are not to be used, no banner shall be used absent further Order of the Court, which may be sought on an expedited basis on notice to the Landlord. 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 facade 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 Debtor. 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 Debtor and the Landlord will discuss the Landlord's concerns and work to resolve the dispute.

6. ~~The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.~~ Debtor shall be permitted to utilize sign walkers and street signage, provided, however, such sign walkers and street signage shall not be located on any applicable shopping centre or mall premises.
7. ~~The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.~~ Conspicuous signs shall be posted in the cash register areas of each Closing Store to the effect that all sales are "final".

DATED the _____ day of _____, 20__.

~~[RECEIVER'S NAME], solely in its capacity
as Receiver of the Property, and not in its
personal capacity~~

Per:

Name:

Title:

8. The Debtor 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 Debtor may solicit customers in the Closing Stores themselves. The Debtor 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 Debtor 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 the FF&E (as defined below)) may be removed without the Landlord's written consent unless otherwise provided by the applicable Lease. Any fixtures or personal property left in a Closed Store after its lease has been repudiated by the Receiver and vacated by the Debtor 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 Debtor may sell furniture, trade fixtures and equipment owned by the Debtor (“Owned FF&E”), located in the Closing Stores during the Sale. The Debtor may advertise the sale of Owned FF&E consistent with these guidelines on the understanding that any Landlord may require that such signs be placed in discreet locations within the Closing Stores acceptable to the Landlord, acting reasonably. Additionally, the purchasers of any Owned FF&E sold during the Sale shall only be permitted to remove the Owned FF&E either through the back shipping areas designated by the Landlord or through other areas after regular store business hours or through the front door of the Closing Store during business hours if the Owned FF&E can fit in a shopping bag, with Landlord’s supervision as required by the Landlord. The Debtor shall repair any damage to the Closing Stores resulting from the removal of any and all furniture, trade fixtures and equipment, including the Owned FF&E (collectively “FF&E”) by the Debtor or by third party purchasers of Owned FF&E from the Debtor.
11. The Debtor 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.
12. The Debtor hereby provides notice to the Landlords of the Debtor’s intention to sell and remove FF&E from the Closing Stores. The Debtor will arrange with each Landlord represented by counsel on the service list or directed by the Landlord and with any other Landlord that so requests, a walk through with the Debtor 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 Debtor’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 to between the Receiver, the Debtor and such Landlord, or by further Order of the Court upon a motion by the Receiver on at least two (2) days’ notice to such Landlord. If the Debtor or the Receiver has repudiated the Lease governing such Closing Store in accordance with the Appointment Order, 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 Appointment Order), and the repudiation of the Lease shall be without prejudice to the Receiver’s or the Debtor’s claim to the FF&E in dispute.
13. If a notice of repudiation is delivered pursuant to the Appointment Order 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 repudiation, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Debtor and the Receiver 24 hours’ prior written notice; and (b) at the effective time of the repudiation, 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 Debtor 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.

14. The Debtor and, where appropriate, the Receiver, shall not conduct any auctions of merchandise or FF&E at any of the Closing Stores.
15. If a Landlord and the Debtor are unable to resolve any dispute that may arise in connection with these Sale Guidelines or the Sale more generally, between themselves, the Landlord or the Receiver 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 Debtor 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 Debtor 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 Debtor, the Receiver, 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).

TAB 5

Court File No.

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

THE HONOURABLE) FRIDAY, THE 7th DAY
 JUSTICE ■) OF JULY, 2017

STRELLSON AG

Applicant

- and -

STRELLMAX LTD.

Respondent

APPLICATION UNDER section 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended and section 101 of the Courts of Justice Act, R.S.O. 1990, c. c-43, as amended

APPROVAL AND VESTING ORDER

THIS APPLICATION made by Strellson AG (the "**Applicant**") for: (i) an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended appointing Richter Advisory Group Inc. as receiver (the "**Receiver**") without security, of the assets, undertakings and properties of Strellmax Ltd. (the "**Debtor**") comprising, acquired for, or used in relation to, the business carried on by the Debtor; and (ii.) an Order approving a sale transaction (the "**Transaction**") in respect of certain assets (the "**Purchased Assets**") of the Debtor contemplated by an asset purchase agreement (the "**APA**"), to be entered into between the Company, the Applicant (in such capacity, the "**Purchaser**"), and the Receiver, in the form appended to the Pre-Appointment Report of the Receiver dated ■, 2017 (the "**Pre-Appointment Report**"), and vesting in the Purchaser the Debtor's right, title and interest in and to the Purchased Assets, was heard this day at 330 University Avenue, Toronto, Ontario.

1. **ON READING** the affidavit of Marcel Braun sworn June 30, 2017, and the Exhibits thereto (collectively, the "**Braun Affidavit**"), and the Pre-Appointment Report and the Appendices thereto, and on hearing the submissions of counsel for the Applicant, counsel for the proposed Receiver, counsel for

the Debtor, and those other parties listed on the counsel slip, no one appearing for any other person although duly served as appears from the affidavit of service of ■ sworn ■, 2017, filed,

2. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the APA by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule "A" hereto (the "**Receiver's Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the APA shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice • dated July 7, 2017 (the "**Appointment Order Charges**"); and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system. Notwithstanding the foregoing, save and except with respect to the Appointment Order Charges, this Paragraph 3 of this Order shall not apply to any Claims that are determined by the Court to be in priority to the Purchaser's claim in these proceedings or in any subsequent bankruptcy proceedings in respect of the Debtor.

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

5. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

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

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the BIA in respect of the Debtor and any bankruptcy order issued pursuant to any such applications;
and
- (c) any assignment in bankruptcy made in respect of the Debtor;

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

7. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

Schedule A – Form of Receiver’s Certificate

Court File No. _____

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

THE HONOURABLE) FRIDAY, THE 7th DAY
 JUSTICE ■) OF JULY, 2017

STRELLSON AG

Applicant

- and -

STRELLMAX LTD.

Respondent

APPLICATION UNDER section 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended and section 101 of the Courts of Justice Act, R.S.O. 1990, c. c-43, as amended

RECEIVER’S CERTIFICATE**RECITALS**

A. Pursuant to an Order of the Honourable Justice • of the Ontario Superior Court of Justice (the "**Court**") dated July 7, 2017, Richter Advisory Group Inc. was appointed as the receiver (the "**Receiver**") of the undertaking, property and assets of Strellmax Ltd. (the "**Debtor**").

B. Pursuant to an Order of the Court dated July 7, 2017, the Court approved asset purchase agreement made as of • (the "**APA**") between the Debtor, the Receiver and Strellson AG (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the satisfaction by the Purchaser of the Purchase Price; (ii) that the conditions to Closing as set out in section • of the APA have been satisfied or waived by the Debtor, the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

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

THE RECEIVER CERTIFIES the following:

1. The Receiver confirms that the Purchaser has satisfied the Purchase Price for the Purchased Assets due on the Closing Date pursuant to the APA by effecting the Credit Bid and by assuming the Assumed Obligations.
2. The conditions to Closing as set out in section • of the APA have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

**Richter Advisory Group Inc., in its capacity as
Receiver of the assets, undertakings and
properties of Strellmax Ltd., and not in its
personal capacity**

Per: _____

Name:

Title:

Court File No. CV-

B E T W E E N:**STRELLSON AG**
Applicant

- and -

STRELLMAX LTD.
Respondents**APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. c-43, as amended****ONTARIO**
SUPERIOR COURT OF JUSTICE
(Commercial List)
(PROCEEDING COMMENCED AT TORONTO)**APPROVAL AND VESTING ORDER****GOWLING WLG (CANADA) LLP**
Barristers & Solicitors
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100 King Street West, Suite 1600
Toronto ON M5X 1G5**David F. W. Cohen (LSUC No. 33195Q)**
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Tel: (416) 862-3609
Fax: (416) 862-7661**Thomas Gertner (LSUC. No. 67756S)**
Tel: (416) 369-4618
Fax: (416) 862-7661

LAWYERS FOR THE APPLICANT, STRELLSON AG

TAB 6

Court File No. □□□□□

ONTARIO
 SUPERIOR COURT OF JUSTICE
 COMMERCIAL LIST

THE HONOURABLE _____)	WEEKDAY, THE #
)	
JUSTICE _____)	DAY OF MONTH, 20YR

~~BETWEEN:-~~

~~PLAINTIFF~~

~~Plaintiff~~

~~-and-~~

~~DEFENDANT~~

~~Defendant~~

<u>THE HONOURABLE</u>)	<u>FRIDAY, THE 7th DAY</u>
)	
<u>JUSTICE</u> ■)	<u>OF JULY, 2017</u>

STRELLSON AG

Applicant

- and -

STRELLMAX LTD.

Respondent

APPLICATION UNDER section 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended and section 101 of the Courts of Justice Act, R.S.O. 1990, c. c-43, as amended

APPROVAL AND VESTING ORDER

~~THIS MOTION, made by [RECEIVER'S NAME] in its capacity as the Court-appointed~~ APPLICATION made by Strellson AG (the "**Applicant**") for: (i) an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended appointing Richter Advisory Group Inc. as receiver (the "**Receiver**") without security of the ~~undertaking, property and assets of [DEBTOR] (the "Debtor") for an order approving the~~ assets, undertakings and properties of Strellmax Ltd. (the "Debtor") comprising, acquired for, or used in relation to, the business carried on by the Debtor; and (ii.) an Order approving a sale transaction (the "**Transaction**") in respect of certain assets (the "**Purchased Assets**") of the Debtor contemplated by an ~~agreement of asset purchase and sale (the "Sale Agreement")~~ agreement (the "**APA**") to be entered into between the ~~Receiver and [NAME OF PURCHASER] (the "Company, the Applicant (in such capacity, the "Purchaser") dated [DATE] and~~ Receiver, in the form appended to the Pre-Appointment Report of the Receiver dated [DATE], 2017 (the "**Pre-Appointment Report**"), and vesting in the Purchaser the Debtor's right, title and interest in and to the ~~assets described in the Sale Agreement (the "Purchased Assets"),~~ was heard this day at 330 University Avenue, Toronto, Ontario.

1. ~~ON READING the Report~~ affidavit of Marcel Braun sworn June 30, 2017, and the Exhibits thereto (collectively, the "**Braun Affidavit**"), and the Pre-Appointment Report and the Appendices thereto, and on hearing the submissions of counsel for the ~~Receiver, [NAMES OF OTHER PARTIES APPEARING]~~ Applicant, counsel for the proposed Receiver, counsel for the Debtor, and those other parties listed on the counsel slip, no one appearing for any other person ~~on the service list,~~ although ~~properly~~ duly served as appears from the affidavit of [NAME] service of [DATE], 2017, filed:-

2. ~~1.~~ **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the ~~Sale Agreement~~ APA by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

3. ~~2.~~ **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule "A" hereto (the "**Receiver's Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the

~~Sale Agreement [and listed on Schedule B hereto]~~ APA shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice ~~[NAME]~~ dated [DATE]; July 7, 2017 (the "Appointment Order Charges"); and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; ~~and (iii) those Claims listed on Schedule C hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.~~ Notwithstanding the foregoing, save and except with respect to the Appointment Order Charges, this Paragraph 3 of this Order shall not apply to any Claims that are determined by the Court to be in priority to the Purchaser's claim in these proceedings or in any subsequent bankruptcy proceedings in respect of the Debtor.

3. ~~THIS COURT ORDERS that upon the registration in the Land Registry Office for the [Registry Division of {LOCATION}] of a Transfer/Deed of Land in the form prescribed by the Land Registration Reform Act duly executed by the Receiver][Land Titles Division of {LOCATION} of an Application for Vesting Order in the form prescribed by the Land Titles Act and/or the Land Registration Reform Act], the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule B hereto (the "Real Property") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.~~

4. ~~THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the~~

~~sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.~~

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

5. ~~6.~~ **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees, ~~including personal information of those employees listed on Schedule "●" to the Sale Agreement.~~ The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

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

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

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

~~8. THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act (Ontario)*.~~

7 ~~9.~~ **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

Schedule A – Form of Receiver's Certificate

Court File No. _____

ONTARIO
 SUPERIOR COURT OF JUSTICE
 COMMERCIAL LIST

~~BETWEEN:-~~~~PLAINTIFF-~~

Plaintiff

~~-and-~~~~DEFENDANT-~~

Defendant

THE HONOURABLE

)

FRIDAY, THE 7th DAYJUSTICE ■

)

OF JULY, 2017STRELLSON AGApplicant- and -STRELLMAX LTD.Respondent

APPLICATION UNDER section 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended and section 101 of the Courts of Justice Act, R.S.O. 1990, c. c-43, as amended

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable ~~[NAME OF JUDGE]~~Justice ■ of the Ontario Superior Court of Justice (the "Court") dated ~~[DATE OF ORDER], [NAME OF RECEIVER]~~July 7, 2017.

Richter Advisory Group Inc. was appointed as the receiver (the "Receiver") of the undertaking, property and assets of ~~[DEBTOR]~~Strellmax Ltd. (the "Debtor").

B. Pursuant to an Order of the Court dated ~~[DATE]~~July 7, 2017, the Court approved ~~the asset purchase~~ agreement ~~of purchase and sale~~ made as of ~~[DATE OF AGREEMENT]~~ (the "~~Sale Agreement~~APA") between the ~~Debtor, the~~ Receiver ~~[Debtor] and [NAME OF PURCHASER]~~and Strellson AG (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the ~~payments~~satisfaction by the Purchaser of the Purchase Price ~~for the Purchased Assets~~; (ii) that the conditions to Closing as set out in section • of the ~~Sale Agreement~~APA have been satisfied or waived by the ~~Debtor, the~~ Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

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

THE RECEIVER CERTIFIES the following:

1. The ~~Receiver confirms that the~~ Purchaser has ~~paid and the Receiver has received~~satisfied the Purchase Price for the Purchased Assets ~~payable due~~ on the Closing Date pursuant to the ~~Sale Agreement~~APA by effecting the Credit Bid and by assuming the Assumed Obligations.
2. The conditions to Closing as set out in section • of the ~~Sale Agreement~~APA have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

~~{NAME OF RECEIVER}~~Richter Advisory Group Inc., in its capacity as Receiver of the ~~undertaking, property and assets~~assets, undertakings and properties of ~~{DEBTOR}~~Strellmax Ltd., and not in its personal capacity

Per: _____

Name:

Title:

Court File No. CV-

B E T W E E N:

STRELLSON AG
Applicant

- and -

STRELLMAX LTD.
Respondent

APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. c-43, as amended

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

(PROCEEDING COMMENCED AT TORONTO)

APPLICATION RECORD
(Returnable July 7, 2017)

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LAWYERS FOR THE APPLICANT, STRELLSON AG