

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C.
1985, c. C-36

AND

IN THE MATTER OF THE *CANADA BUSINESS CORPORATIONS ACT*, R.S.C.
1985, c. C-44

AND

IN THE MATTER OF STERLING SHOES INC. and STERLING SHOES GP INC.

PETITIONERS

NOTICE OF APPLICATION

Names of applicants: Sterling Shoes Inc. and Sterling Shoes GP Inc.

To: The Service List as set out in Schedule "A"

TAKE NOTICE that an application will be made by the applicants to the presiding judge at the courthouse at 800 Smithe Street, Vancouver, BC, V6Z 2E1, on Monday, the 2nd day of April, 2012 at 9:00 a.m. for the Order as set out in Part 1 below.

Part 1: ORDERS SOUGHT

1. An Order in the draft form attached as Schedule "B".

Part 2: FACTUAL BASIS

1. On October 21, 2011, the Petitioners and Sterling Shoes Limited Partnership (collectively, the "**Company**") obtained an initial order, pursuant to the *Companies Creditors' Arrangement Act*, which was amended by orders dated November 18, 2011 and December 9, 2011 (collectively, the "**Initial Order**"). The Initial Order provided, *inter alia*, a stay of proceedings of all claims against the Company until April 2, 2012.

2. In furtherance of the Company's restructuring efforts and in contemplation of a potential sale of the Company's business and assets, a claims process is required (the "**Claims Process**").

3. The Claims Process is designed to be an efficient means of providing fair and reasonable notice to various creditors or potential creditors of the requirement to file proofs of claim in respect of all potential claims in relation to the Company.
4. The Company seeks to proceed with the Claims Process as quickly as possible to ensure that the determination of creditors' claims does not unduly or unnecessarily delay the implementation of any restructuring, sale process or distribution of proceeds from a sale.
5. On December 9, 2011, the Court approved a sale and investor solicitation process (the "SISP") whereby the Company was authorized to work with its financial advisor to solicit offers for an investment in the Company or a sale of all or substantially all of the Company's assets.
6. To date, the Company has completed a number of steps in furtherance of the SISP and has received several non-binding proposals for the purchase of all or substantially all of the Company and its assets.
7. The Company is currently in negotiations with a potential purchaser in respect of the purchase of all or substantially all of the assets of Sterling Shoes Limited Partnership. If this transaction is finalized, the Company will seek court approval for such agreement forthwith.
8. The Company has acted and continues to act diligently and in good faith and requires a further period of time to proceed with the Claims Process, the SISP and its restructuring process, including a potential plan of arrangement or compromise for its creditors or distribution of proceeds from any sale of all or substantially all of the assets of Sterling Shoes Limited Partnership. The Company is seeking to extend the provisions of the Initial Order until June 30, 2012.

Part 3:LEGAL BASIS

1. The applicants will rely on the *Companies Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended,
2. Supreme Court Civil Rules, Rule 8-1, 13-1; and
3. The inherent jurisdiction of this court.

Part 4: MATERIAL TO BE RELIED ON

1. Affidavit #1 of Daniel Gumprich, affirmed October 20, 2011;
2. Affidavit #2 of Daniel Gumprich, affirmed November 15, 2011;
3. Affidavit #3 of Daniel Gumprich, affirmed December 6, 2011; and
4. Affidavit #5 of Daniel Gumprich, affirmed March 28, 2011;.

The applicants estimate that the application will take 60 minutes.

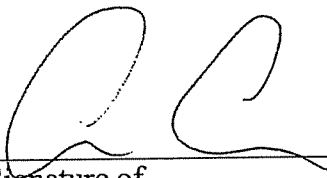
☐ This matter is within the jurisdiction of a master.

☒ This matter is not within the jurisdiction of a master.

TO THE PERSONS RECEIVING THIS NOTICE OF APPLICATION: If you wish to respond to this notice of application, you must, within 5 business days after service of this notice of application or, if this application is brought under Rule 9-7, within 8 business days after service of this notice of application,

- (a) file an application response in Form 33,
- (b) file the original of every affidavit, and of every other document, that
 - (i) you intend to refer to at the hearing of this application, and
 - (ii) has not already been filed in the proceeding, and
- (c) serve on the applicant 2 copies of the following, and on every other party of record one copy of the following:
 - (i) a copy of the filed application response;
 - (ii) a copy of each of the filed affidavits and other documents that you intend to refer to at the hearing of this application and that has not already been served on that person;
 - (iii) if this application is brought under Rule 9-7, any notice that you are required to give under Rule 9-7(9).

Date: March 28, 2012



Signature of
☐ applicant ☒ lawyer for the applicants
for Peter L. Rubin

To be completed by the court only:

Order made

☐ in the terms requested in paragraphs of Part 1 of this notice of application

☐ with the following variations and additional terms:

Date: _____

Signature of ☐ Judge ☐ Master

APPENDIX

[The following information is provided for data collection purposes only and is of no legal effect.]

THIS APPLICATION INVOLVES THE FOLLOWING:

[Check the box(es) below for the application type(s) included in this application.]

- ☐ discovery: comply with demand for documents
- ☐ discovery: production of additional documents
- ☐ extend oral discovery
- ☐ other matter concerning oral discovery
- ☐ amend pleadings
- ☐ add/change parties
- ☐ summary judgment
- ☐ summary trial
- ☐ service
- ☐ mediation
- ☐ adjournments
- ☐ proceedings at trial
- ☐ case plan orders: amend
- ☐ case plan orders: other
- ☐ experts

Schedule "A"

**IN THE MATTER THE CCAA AND STERLING SHOES
S.C.B.C. ACTION NO. S117081**

SERVICE LIST

<i>Counsel for Petitioners</i> BLAKE, CASSELS & GRAYDON LLP Barristers & Solicitors 2600 - 595 Burrard Street Vancouver, BC V7X 1L3 Attn: Peter L. Rubin / Andrew Crabtree Direct: 604.631.3315 / 4185 Fax: 604.631.3309 Email: peter.rubin@blakes.com andrew.crabtree@blakes.com	<i>Counsel for the Bank of Montreal</i> GOWLINGS 2300 - 550 Burrard Street Vancouver, BC V6C 2B5 Attn: Colin D. Brousson / David Cohen Direct: 604.891.2286 / 416.369.6667 Fax: 604.683.3558 / 416.862.7661 Email: colin.brousson@gowlings.com david.cohen@gowlings.com
<i>Monitor</i> ALVAREZ & MARSAL CANADA INC. 1680 - 400 Burrard Street Vancouver, BC V6C 3A6 Attn: Todd M. Martin / Pam Boparai Direct: 604.638.7445 / 7446 Fax: Email: tmartin@alvarezandmarsal.com pboparai@alvarezandmarsal.com	<i>Counsel for the Monitor</i> FASKEN MARTINEAU 2900-550 Burrard Street Vancouver, BC V6C 0A3 Attn: John F. Grieve / Kibben Jackson Direct: 604.631.4772 / 4786 Fax: 604.632.4772 / 4786 Email: jgrieve@fasken.com kjackson@fasken.com
<i>Counsel for BII Acquisition Inc.</i> BORDEN LADNER GERVAIS LLP 1200 - 200 Burrard Street Vancouver, BC V7X 1T2 Attn: Magnus C. Verbrugge Direct: 604.640.4198 Fax: 604.622.5898 Email: mverbrugge@blg.com	<i>BII Acquisition Inc.</i> BELKORP GROUP OF COMPANIES 900 - 1508 West Broadway Vancouver, BC, V6J 1W8 Attn: Randy Smith, General Counsel Direct: 604.688.8533 (co.) Fax: 604.688.3569 Email: rsmith@belkorp.com
<i>Counsel for Ivanhoe Cambridge</i> McCARTHY TETRAULT 1300 - 777 Dunsmuir Street Vancouver BC V7Y 1K2 Attn: Warren Milman Direct: 604.643.7104 Fax: 604.643.7900 Email: wmilman@mccarthy.ca	<i>Sports Industry Credit Association (Footwear Credit Group)</i> 800 - 245 Victoria Avenue Montreal, QC H3Z 2M6 Attn: William Anidjar Direct: 514.931.5561 ext. 223 Fax: 514.931.2896 Email: william@sica.ca

<i>Counsel for The Cadillac Fairview Corporation Limited</i> TORYS LLP 3000 – 79 Wellington Street West Toronto, ON M5K 1N2 Attn: David Bish Direct: 416.865.7353 Fax: 416.865.7380 Email: dbish@torys.com	<i>The Clarks Companies</i> <i>Clarks, Bostonian, Indigo, Privo</i> 156 Oak Street Newton, MA 02464 U.S.A. Attn: Dan Logan, Credit Manager Direct: 800.842.9305 x 4334 Fax: 866.700.3041 Email: dan.logan@clarksna.com
<i>Counsel for Morguard Investments Limited, Morguard Real Estate Investment Trust, Primaris Retail Estate Investment Trust, 20 VIC Management Inc., Oxford Properties Group Inc. and Retrocom Mid-Market REIT</i> ALEXANDER HOLBURN BEAUDIN & LANG LLP 2700 – 700 West Georgia Street Vancouver, BC V7Y 1B8 Attn: Sharon Urquhart Direct: 604.484.1757 Fax: 604.484.9757 Email: surquhart@ahbl.ca	<i>Western Compensation & Benefits Consultants</i> 2000 – 1188 West Georgia Street Vancouver, BC V6E 4A2 Attn: Barry Cook Direct: 604.443.3706 Fax: 604.687.2315 Email: barry_cook@wcbbc.ca
<i>Counsel for MC Leaseholds Ltd.</i> BORDEN LADNER GERVAIS LLP 1200 – 200 Burrard Street Vancouver, BC V7X 1T2 Attn: Blair A. Rebane Direct: 604.640.4130 Fax: 604.622.5897 Email: brebane@blg.com	<i>Counsel for adidas AG</i> GOWLINGS 2600 – 160 Elgin Street Ottawa, ON K1P 1C3 Attn: Martha J. Savoy Direct: 613.786.0180 Fax: 613.788.3471 Email: martha.savoy@gowlings.com
<i>Counsel for Rocket Dog Brands LLC</i> GOODMANS LLP 3400 – 333 Bay Street Toronto, ON M5H 2S7 Attn: Brian F. Empey Direct: 416.597.4194 Fax: 416.979.1234 Email: bempey@goodmans.ca	<i>Counsel for Canada Revenue Agency</i> DEPARTMENT OF JUSTICE CANADA 900-840 Howe Street Vancouver, BC V6Z 2S9 Attn: Kirat K. Khalsa Direct: 604.666.2390 Fax: 604.666.1462 Email: kirat.khalsa@justice.gc.ca

Schedule "B"

No. S117081
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36

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PETITIONERS

ORDER MADE AFTER APPLICATION

CLAIMS PROCESS ORDER

BEFORE	)	THE HONOURABLE	)	Monday, the 2 nd day
	)	MR. JUSTICE PEARLMAN	)	of
	)		)	April, 2012

ON THE APPLICATION of the Petitioners coming on for hearing at 800 Smithe Street, Vancouver, British Columbia on the 2nd day of April, 2012, AND ON HEARING Peter L. Rubin and Andrew Crabtree, counsel for the Petitioners, Vicki Tickle, counsel for the Monitor, Alvarez & Marsal Canada Inc., and those counsel listed on **Schedule "A"**; AND UPON READING the material filed;

THIS COURT ORDERS that:

SERVICE

1. The time for service of the Notice of Application herein be and is hereby abridged and the Notice of Application is properly returnable today and service thereof upon any interested party other than those parties on the Service List is hereby dispensed with.

DEFINITIONS AND INTERPRETATION

2. For the purposes of this Order, all capitalized terms not otherwise defined in this Order shall have the definitions set out in **Schedule "B"** hereto.

3. All references herein as to time shall mean local time in Vancouver, British Columbia, Canada, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day unless otherwise indicated herein and any event that occurs on a day that is not a Business Day shall be deemed to occur on the next Business Day.

4. All references to the word "including" shall mean "including, without limitation".

5. All references to the singular herein include the plural, the plural include the singular, and any gender includes the other gender.

INITIAL ORDER STAY EXTENSION

6. The stay of proceedings provided in the Initial Order is hereby extended to June 30, 2012 or such other date as this Court may subsequently order.

GENERAL PROVISIONS

7. The Claims Process, including the Claims Bar Date and the Restructuring Claims Bar Date, is hereby approved.

8. The Petitioner Parties and the Monitor are hereby authorized to use reasonable discretion as to the adequacy of compliance with respect to the manner in which forms delivered hereunder are completed and executed and the time in which they are submitted, and may, where they are satisfied that a Claim has been adequately proven, waive strict compliance with the requirements of this Claims Process Order, including in respect of the completion, execution and time of delivery of such forms, and may request any further documentation from a Creditor that the Petitioner Parties or the Monitor may require in order to enable them to determine the validity of a Claim.

9. Any Claims denominated in a currency other than Canadian Dollars shall be converted to Canadian Dollars at the Bank of Canada noon spot rate in effect on the Filing Date.

10. Copies of all forms delivered by or to a Creditor hereunder, as applicable, and determinations of Claims by the Monitor, a Claims Officer or the Court, as the case may be, shall be maintained by the Monitor and, subject to further order of the Court, such Creditor will be entitled to have access thereto by appointment during normal business hours on written request to the Petitioner Parties and the Monitor.

MONITOR'S ROLE

11. The Monitor, in addition to its prescribed rights, duties, responsibilities and obligations under the CCAA and under the Initial Order, shall assist the Petitioner Parties in connection with the administration of the Claims Process, including the determination of Claims of Creditors and the referral of any Claim to a Claims Officer or to the Court, as requested by the Petitioner Parties from time to time, and is hereby directed and empowered to take such other actions and fulfill such other roles as are contemplated by this Claims Process Order.

NOTICE OF CLAIMS

12. Forthwith after the date of this Claims Process Order, and in any event within three (3) Business Days following the date of this Claims Process Order, the Monitor shall cause a Claims Package or Landlord Claims Package, as applicable, in accordance with paragraph 37 hereof, to be sent to: (a) each Creditor with a Claim as evidenced by the books and records of the Petitioner Parties as of the Filing Date (b) the Transfer Agent of the Convertible Debenture Holders, and (c) each counter-party to any contract or agreement entered into prior to the Filing Date, which a Petitioner Party has advised the Monitor has received a Notice of Disclaimer or Resiliation from such Petitioner Party prior to the date of this Claims Process Order, in each case to the address of such Creditor or counter-party set out in the applicable Petitioner Party's records. Any Notice of Disclaimer or Resiliation delivered to a Person after the date of this Claims Process Order

shall be accompanied by a Claims Package or Landlord Claims Package, as applicable. A Claim Amount Notice shall be included in a Claims Package if such Claim Amount Notice is provided to the Monitor by the Petitioner Parties prior to the Monitor sending such Claims Package or Landlord Claims Package.

13. Upon request by the Monitor, the Transfer Agent shall provide information and documentation as reasonably requested by the Monitor in order to assist the Monitor in carrying out its duties, including those prescribed pursuant to this Claims Process Order.

14. Forthwith after the date of this Claims Process Order, and in any event within four (4) Business Days following the date of this Claims Process Order, the Monitor shall cause the Newspaper Notice to be published for one (1) Business Day in The Globe and Mail and the Vancouver Sun.

15. Forthwith after the date of this Claims Process Order, and in any event within two (2) Business Days following the date of this Claims Process Order, the Monitor shall post on the Monitor's Website a copy of this Claims Process Order, the Instruction Letter, a blank Proof of Claim form, the Landlord Instruction Letter, a blank Landlord Proof of Claim form and a blank Notice of Dispute form.

16. To the extent that any Creditor requests documents relating to the Claims Process prior to the Claims Bar Date or the Restructuring Claims Bar Date, as applicable, the Monitor shall forthwith cause a Claims Package or Landlord Claims Package, as applicable, to be sent to the Creditor, direct the Creditor to the documents posted on the Monitor's Website, and otherwise respond to the request relating to the Claims Process as may be appropriate in the circumstances.

17. Subject to further order of the Court, any Notice of Disclaimer or Resiliation issued by the Petitioner Parties must be issued by the Petitioner Parties at least fifteen (15) days prior to a scheduled Meeting of Creditors, if any, or any adjournment thereof.

NOTICE SUFFICIENT

18. The forms of Instruction Letter, Proof of Claim, Landlord Instruction Letter, Landlord Proof of Claim, Notice of Revision or Disallowance, Notice of Dispute and Newspaper Notice substantially in the forms attached to this Claims Process Order as **Schedules "C", "D", "E", "F", "G", "H" and "I"** respectively, are hereby approved. Despite the foregoing, the Petitioner Parties and the Monitor may, from time to time, make minor changes to such forms as the Petitioner Parties and the Monitor consider necessary or desirable.

19. Publication of the Newspaper Notice, the sending to the Creditors of a Claims Package or a Landlord Claims Package, as applicable, in accordance with this Claims Process Order, and completion of the other requirements of this Claims Process Order, shall constitute good and sufficient service and delivery of notice of this Claims Process Order, the Claims Bar Date and the Restructuring Claims Bar Date on all Persons who may be entitled to receive notice and who may wish to assert a Claim, and no other notice or service need be given or made and no other document or material need be sent to or served upon any Person in respect of this Claims Process Order.

FILING PROOFS OF CLAIM FOR CLAIMS OTHER THAN RESTRUCTURING CLAIMS

20. Subject to paragraphs 22 and 24 hereof, any Creditor who wishes to assert a Claim (other than a Restructuring Claim) against any of the Petitioner Parties and/or any Director and/or Officer shall file a Proof of Claim with the Monitor in the manner set out in paragraph 38 hereof so that the Proof of Claim is received by the Monitor by no later than the Claims Bar Date.

21. Subject to paragraphs 22 and 24 hereof, any Person that does not file a Proof of Claim as provided for in paragraph 20 hereof so that such Proof of Claim is received by the Monitor on or before the Claims Bar Date, or such later date as the Monitor and the Petitioner Parties may agree in writing or the Court may otherwise direct, shall:

- (a) be and is hereby forever barred, estopped and enjoined from asserting or enforcing any Claim against any of the Petitioner Parties and/or any of the Directors and/or Officers and all such Claims shall be forever extinguished;
- (b) not be permitted to vote on any plan of arrangement or compromise proposed by the Petitioner Parties (the "**Plan**"), if applicable, on account of such Claim(s);
- (c) not be permitted to participate in any distribution under any Plan, from the proceeds of any sale of the Petitioner Parties' assets, or otherwise on account of such Claim(s); and
- (d) not be entitled to receive further notice in respect of the Claims Process or these CCAA Proceedings.

22. Notwithstanding paragraphs 20 and 21 hereof, any Creditor who receives a Claim Amount Notice and who does not dispute the Claim as set forth in the Claim Amount Notice, is not required to file a Proof of Claim by the Claims Bar Date. If a Creditor who receives a Claim Amount Notice does not file a Proof of Claim by the Claims Bar Date, then such Creditor's Claim as set out in the Claim Amount Notice shall be an Allowed Claim for voting and distribution purposes. Any Creditor who receives a Claim Amount Notice and wishes to dispute the amount set out therein shall file a Proof of Claim with the Monitor in accordance with paragraph 20 hereof.

23. Notwithstanding anything contained in this Claims Process Order, Exempted Claims shall not be extinguished or affected by this Claims Process Order and, for greater certainty, paragraph 21 shall not apply to the Exempted Claims.

FILING PROOFS OF CLAIM FOR RESTRUCTURING CLAIMS

24. Notwithstanding paragraphs 20 and 21 hereof, any Creditor, other than a Landlord, who wishes to assert a Restructuring Claim against any of the Petitioner Parties and/or any Director and/or Officer shall file a Proof of Claim with the Monitor in the

manner set out in paragraph 38 hereof so that the Proof of Claim is received by the Monitor by no later than the Restructuring Claims Bar Date. All other dates contained herein (other than the Claims Bar Date), shall apply equally to any Restructuring Claims.

25. Notwithstanding paragraphs 20 and 21 hereof, any Landlord who wishes to assert a Restructuring Claim against any of the Petitioner Parties and/or any Director and/or Officer shall file a Landlord Proof of Claim with the Monitor in the manner set out in paragraph 38 hereof so that the Landlord Proof of Claim is received by the Monitor by no later than the Restructuring Claims Bar Date. All other dates contained herein (other than the Claims Bar Date), shall apply equally to any Restructuring Claims.

26. Any Person that does not file a Proof of Claim or Landlord Proof of Claim, as applicable, in respect of a Restructuring Claim as provided for in paragraphs 24 and 25 hereof so that such Proof of Claim or Landlord Proof of Claim, as applicable, is received by the Monitor on or before the Restructuring Claims Bar Date, or such later date as the Monitor and the Petitioner Parties, may agree in writing or the Court may otherwise direct, shall:

- (a) be and is hereby forever barred, estopped and enjoined from asserting or enforcing any Claim against any of the Petitioner Parties and/or any of the Directors and/or Officers and all such Claims shall be forever extinguished;
- (b) not be permitted to vote on the Plan, if applicable, on account of such Claim(s);
- (c) not be permitted to participate in any distribution under any Plan, from the proceeds of any sale of the Petitioner Parties' assets, or otherwise on account of such Claim(s); and
- (d) not be entitled to receive further notice in respect of the Claims Process or these CCAA Proceedings.

ADJUDICATION OF CLAIMS

27. The Monitor shall provide the Petitioner Parties' counsel with copies of all Proofs of Claim, Landlord Proofs of Claim and Notices of Dispute filed with the Monitor pursuant to the Claims Process.

28. The Monitor, in consultation with the Petitioner Parties, shall review all Proofs of Claim and Landlord Proofs of Claim received on or before the Claims Bar Date or the Restructuring Claims Bar Date, as applicable, and shall accept, revise or disallow each Claim as set out therein. If the Petitioner Parties wish to revise or disallow a Claim, the Petitioner Parties and/or the Monitor shall, by no later than ten (10) days after the Claims Bar Date or the Restructuring Claims Bar Date, as applicable, send such Creditor a Notice of Revision or Disallowance advising that the Creditor's Claim as set out in its Proof of Claim or Landlord Proof of Claim, as applicable, has been revised or disallowed and the reasons therefor. If neither the Petitioner Parties nor the Monitor send a Notice of Revision or Disallowance to a Creditor by such date or such other date as may be agreed to by the Monitor and the Creditor, the Claim set out in the applicable Proof of Claim or Landlord Proof of Claim, as applicable, shall be an Allowed Claim. Unless otherwise agreed to by the Petitioner Parties and the Monitor or ordered by the Court, all Claims set out in Proofs of Claim or Landlord Proofs of Claim that are filed after the Claims Bar Date or the Restructuring Claims Bar Date, as applicable, are deemed to be disallowed and the Petitioner Parties and the Monitor need not deliver a Notice of Revision or Disallowance in respect of such Claim.

29. Any Creditor who is sent a Notice of Revision or Disallowance pursuant to paragraph 28 hereof and wishes to dispute such Notice of Revision or Disallowance shall deliver a completed Notice of Dispute to the Monitor by no later than 5:00 p.m. on the day which is seven (7) days after the date of the applicable Notice of Revision or Disallowance or such other date as may be agreed to by the Monitor. If a Creditor fails to deliver a Notice of Dispute by such date, the Claim set out in the applicable Notice of Revision or Disallowance, if any, shall be an Allowed Claim.

30. Upon receipt of a Notice of Dispute, the Monitor, in consultation with the Petitioner Parties, may: (i) attempt to consensually resolve the disputed Claim with the Creditor, (ii) deliver a Dispute Package to a Claims Officer appointed in accordance with the Claims Process, or (iii) bring a motion before the Court in these proceedings to determine the disputed Claim. If the Petitioner Parties and the Creditor consensually resolve the disputed Claim, such Claim (as resolved) shall be an Allowed Claim. If a Claim is referred under this paragraph to a Claims Officer or to the Court, the Claims Officer or the Court, as applicable, shall resolve the dispute between the Petitioner Parties and such Creditor as soon as practicable.

CLAIMS OFFICER

31. The Petitioner Parties, should they consider it necessary or desirable to do so, with the concurrence of the Monitor, are authorized and empowered, but not obligated, to appoint a Claims Officer under such terms as may be approved by the Monitor and to enter into an agreement with a Claims Officer fixing reasonable remuneration of the Claims Officer as the Monitor deems reasonable and appropriate.

32. Subject to the discretion of the Court, a Claims Officer shall determine the validity and amount of disputed Claims in accordance with the Claims Process and to the extent necessary may determine whether any Claim or part thereof constitutes an Allowed Claim. A Claims Officer shall determine all procedural matters which may arise in respect of his or her determination of these matters, including the manner in which any evidence may be adduced.

33. Subject to the terms hereof, a Claims Officer shall be entitled to reasonable compensation for the performance of his or her obligations set out in this Claims Process Order and any disbursements incurred in connection therewith. The fees and expenses of the Claims Officer shall be borne by the Petitioner Parties and shall be paid by the Petitioner Parties as soon as reasonably practicable after forthwith upon receipt of each invoice tendered by a Claims Officer.

34. Upon receipt of a Creditor's Notice of Dispute concerning the value of a Creditor's Claim, the Monitor may schedule, and cause to be conducted before the Claims Officer, a hearing to determine the nature and/or amount of such Creditor's Claim for voting and/or distribution purposes, and the Claims Officer shall as soon as practicable after the hearing, notify the Petitioner Parties, the Monitor and the Creditor of his or her determination (the "**Claims Officer's Determination**").

35. A Petitioner Party or a Creditor may, within three (3) Business Days of notification of a Claims Officer's Determination in respect of a Claim, appeal such determination to the Court by serving on the other party and filing with the Court a Notice of Application and supporting affidavit material, and the appeal shall be initially returnable within five (5) Business Days of the filing of such notice of appeal, such appeal to be an appeal based on the record before the Claims Officer and not a hearing de novo. If no party appeals the determination of a Claim by a Claims Officer within such time, the Creditor's Claim, as determined by the Claims Officer, shall be an Allowed Claim, the determination made by the Claims Officer shall be final and binding upon the relevant Petitioner Party(ies), the Monitor and the Creditor, and there shall be no further right of appeal, review or recourse to the Court from the Claims Officer's determination of such Claim.

NOTICE OF TRANSFEREES

36. If, after the Filing Date, the holder of a Claim transfers or assigns the whole of such Claim to another Person, neither the Monitor nor the Petitioner Parties shall be obligated to give notice or otherwise deal with the transferee or assignee of such Claim in respect thereof unless and until actual written notice of such transfer or assignment, together with satisfactory evidence of such transfer or assignment, shall have been received and acknowledged by the relevant Petitioner Party and the Monitor in writing and thereafter such transferee or assignee shall for the purposes hereof constitute the "Creditor" in respect of such Claim. Any such transferee or assignee of a Claim shall be bound by any notices given or steps taken in respect of such Claim in accordance with the Claims Process prior to receipt and acknowledgement by the relevant Petitioner Party and

the Monitor of satisfactory evidence of such transfer or assignment. A transferee or assignee of a Claim takes the Claim subject to any rights of set-off to which a Petitioner Party may be entitled with respect to such Claim. For greater certainty, a transferee or assignee of a Claim is not entitled to set-off, apply, merge, consolidate or combine any Claims assigned or transferred to it against or on account or in reduction of any amounts owing by such person to any of the Petitioner Parties. Reference to a transfer in this Claims Process Order includes a transfer or assignment whether absolute or intended as security.

SERVICE AND NOTICES

37. The Petitioner Parties and the Monitor may, unless otherwise specified by this Claims Process Order, serve and deliver the Claims Package, any letters, notices or other documents to Creditors or any other interested Person by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to such Persons at their respective addresses or contact information as last shown on the records of the Petitioner Parties or set out in a Proof of Claim or Landlord Proof of Claim, as applicable. Any such service and delivery shall be deemed to have been received: (i) if sent by ordinary mail, on the third Business Day after mailing within British Columbia, the fifth Business Day after mailing within Canada (other than within British Columbia), and the seventh Business Day after mailing internationally; (ii) if sent by courier or personal delivery, on the next Business Day following dispatch; and (iii) if delivered by electronic transmission, by 5:00 p.m. on a Business Day, on such Business Day and if delivered after 5:00 p.m. or other than on a Business Day, on the following Business Day.

38. Any Proof of Claim, Landlord Proof of Claim, Notice of Dispute or other notice or communication required to be provided or delivered by a Creditor to the Monitor or the Petitioner Parties under this Claims Process Order, shall be in writing in substantially the form, if any, provided for in this Claims Process Order and will be sufficiently given only if delivered by prepaid registered mail, courier, personal delivery, facsimile transmission or email addressed to:

Alvarez & Marsal Canada Inc.

Court-appointed Monitor of Sterling Shoes Inc. et al.
400 Burrard Street, Suite 1680
Vancouver, British Columbia V6C 3A6
Attention: **Tom Powell**
Telephone: 604.638.7440
Fax: 604.638.7441
Email: ssicclaims@alvarezandmarsal.com

Sterling Shoes
2580 Viscount Way
Richmond, British Columbia V6V 1N1
Attention: Damien Forer
Telephone: 604.270.6114
Fax: 604.278.7751
Email: damien.forer@sterlingshoes.com

Any such notice or communication delivered by a Creditor shall be deemed to be received upon actual receipt thereof by the Monitor or the Petitioner Parties before 5:00 p.m. (Vancouver time) on a Business Day or, if delivered after 5:00 p.m. (Vancouver time), on the next Business Day.

39. If during any period which notice or other communications are being given pursuant to this Claims Process Order, a postal strike or postal work stoppage of general application should occur, such notice or other communications sent by ordinary mail and then not received shall not, absent further Order of this Court, be effective and notices and other communications given hereunder during the course of any such postal strike or work stoppage of general application shall only be effective if given by courier, personal delivery, facsimile transmission or email in accordance with this Claims Process Order.

40. In the event this Claims Process Order is later amended by further Order of the Court after a hearing on at least two (2) Business Days notice to the Service List, the Petitioner Parties or the Monitor may post such further Order on the Monitor's Website and serve such further Order on the Service List, and such posting and service shall constitute adequate notice to Creditors of such amended Claims Process.

MISCELLANEOUS

41. Notwithstanding any other provisions of this Claims Process Order, the solicitation by the Monitor or the Petitioner Parties of Proofs of Claim or Landlord Proofs of Claim, and the filing by any Creditor of any Proof of Claim or Landlord Proof of Claim, as applicable, shall not, for that reason only, grant any Person standing in these CCAA Proceedings.

42. The Claims Bar Date and the Restructuring Claims Bar Date, and the amount and status of every Allowed Claim, as determined under the Claims Process, including any determination as to the nature, amount, value, priority or validity of any Claim, including any secured claim, shall continue in full force and effect and be final for all purposes (except as expressly stated in any Notice of Disallowance or Revision or settlement or Claims Officer's Determination or order of the Court), including in respect of any Plan and voting thereon (unless provided for otherwise in any Order of the Court), and, including for any distribution made to Creditors of any of the Petitioner Parties, whether in these CCAA Proceedings or in any of the proceedings authorized by this Court or permitted by statute, including a receivership proceeding or a bankruptcy affecting any of the Petitioner Parties.

43. THIS COURT REQUESTS the aid and recognition of other Canadian and foreign Courts, tribunal, regulatory or administrative bodies to act in aid of and to be complementary to this Court in carrying out the terms of this Claims Process Order where required. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to (i) make such orders and to provide such assistance to the Petitioner Parties and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Claims Process Order, (ii) grant representative status to any of the Petitioner Parties, in any foreign proceeding, and (iii) assist the Petitioner Parties, the Monitor and the respective agents of each of the foregoing in carrying out the terms of this Claims Process Order.

44. The Monitor (i) in carrying out the terms of this Claims Process Order, shall have all of the protections given to it by the CCAA and the Initial Order or as an officer of this

Court, including the stay of proceedings in its favour, (ii) shall incur no liability or obligation as a result of the carrying out of its obligations under this Claims Process Order, (iii) shall be entitled to rely on the books and records of the Petitioner Parties, and any information provided by the Petitioner Parties, all without independent investigations, and (iv) shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information.

45. Notwithstanding the terms of this Claims Process Order, the Petitioner Parties and the Monitor may apply to this Court from time to time for directions from this Court with respect to this Claims Process Order, including the Claims Process and the schedules to this Claims Process Order, or for such further Order or Orders as either of them may consider necessary or desirable to amend, supplement or replace this Claims Process Order, including any schedule to this Claims Process Order.

46. Notwithstanding anything to the contrary herein:

- (a) a Petitioner Party may (with the consent of the Monitor) at any time refer a Claim for resolution to the Claims Officer or the Court for any purpose where in the Petitioner Party's discretion such a referral is preferable or necessary for the resolution of the valuation of the Claim;
- (b) a Petitioner Party may (with the consent of the Monitor) in writing and at any time, accept the amount of a Claim for voting purposes without prejudice to the right of the Petitioner Party to contest liability of the Claim; and
- (c) a Petitioner Party may (with the consent of the Monitor) in writing and at any time, settle and resolve any disputed Claims.

APPROVAL

47. Endorsement of this Claims Process Order by counsel appearing on this application is hereby dispensed with.

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

Signature of
☐ party ☒ lawyer for the Petitioner Parties
Peter Rubin/Andrew Crabtree

BY THE COURT.

Registrar

Schedule "A"

LIST OF COUNSEL

Name of Counsel	Party

Schedule "B"

DEFINITIONS

- (a) **"Allowed Claim"** means the amount, status and/or validity of the Claim of a Creditor finally determined in accordance with the Claims Process which shall be final and binding for voting and/or distribution purposes under the Plan or otherwise. Any other Claim will be "finally determined" and become an Allowed Claim in accordance with the Claims Process if:
- (i) the Creditor was sent a Claim Amount Notice by the Monitor and the Creditor does not file a Proof of Claim by the Claims Bar Date;
 - (ii) a Creditor files a Proof of Claim or a Landlord Proof of Claim by the Claims Bar Date or the Restructuring Claims Bar Date, as applicable, and the Monitor has not sent a Notice of Revision or Disallowance by the deadline set out in paragraph 28 of this Claims Process Order;
 - (iii) the Monitor has sent the Creditor a Notice of Revision or Disallowance in accordance with the Claims Process and the Creditor has not sent a Notice of Dispute in response by the deadline set out in paragraph 29 of this Claims Process Order;
 - (iv) the Creditor sent a Notice of Dispute by the deadline set out in paragraph 29 and the Petitioner Parties and Creditor have consensually resolved the disputed Claim;
 - (v) a Claims Officer has been appointed with respect to the Claim, the Claims Officer has issued a Claims Officer's Determination with respect to the Claim, and the time within which either party may file an appeal of such Claims Officer's Determination has expired and no appeal has been filed; or

- (vi) the Court has made a determination with respect to the Claim and no appeal or application for leave to appeal therefrom has been taken or served on either party, or if any appeal(s) or application(s) for leave to appeal or further appeal have been taken therefrom or served on either party, any (and all) such appeal(s) or application(s) have been dismissed, determined or withdrawn;
- (b) “**Business Day**” means any day other than a Saturday, Sunday or a day on which banks in Vancouver, British Columbia or Toronto, Ontario are authorized or obligated by applicable law to close or otherwise are generally closed;
- (c) “**CCAA**” means the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended;
- (d) “**CCAA Proceedings**” means the CCAA proceedings commenced by the Petitioners, being British Columbia Supreme Court Action No. S117081, on the Filing Date pursuant to the Initial Order;
- (e) “**Claim**” means (i) any Pre-Filing Claim, (ii) any Restructuring Claim; or (iii) any Directors/Officers Claim; provided, however, that, in each case, a “Claim” shall not include an Exempted Claim;
- (f) “**Claim Amount Notice**” means a form of notice which the Monitor may include with any Claims Package setting out the Petitioner Parties’ determination of such Creditor’s Claim;
- (g) “**Claims Bar Date**” means May 9, 2012 at 5:00 p.m. (Vancouver time), or such other date as may be ordered by the Court.
- (h) “**Claims Officer**” means the individual or individuals appointed by the Petitioner Parties pursuant to paragraph 31 hereof;
- (i) “**Claims Officer’s Determination**” has the meaning given to it in paragraph 34 hereof;

- (j) **"Claims Package"** means the document package which includes a copy of (i) the Instruction Letter or Landlord Instruction Letter, as applicable; (ii) a blank Proof of Claim or a blank Landlord Proof of Claim, as applicable; (iii) a Claim Amount Notice (if applicable); and (iv) such other materials as the Monitor, in consultation with the Petitioner Parties, considers necessary or appropriate;
- (k) **"Claims Process"** means the call for claims to be administered by the Monitor, in consultation with the Petitioner Parties, pursuant to the terms of this Claims Process Order;
- (l) **"Claims Process Order"** means this Order establishing a Claims Process;
- (m) **"Convertible Debenture Holders"** means the holders of the 25,000 convertible debentures issued by Sterling Shoes Inc.;
- (n) **"Court"** means the Supreme Court of British Columbia;
- (o) **"Creditor"** means any Person having a Claim and includes, without limitation, a Landlord, the transferee or assignee of a transferred Claim that is recognized as a Creditor in accordance with paragraph 36 hereof, or a trustee, liquidator, receiver, manager, or other Person acting on behalf of such Person;
- (p) **"Director"** means any Person who is or was, or may be deemed to be or have been, whether by statute, operation of law or otherwise, a director of any one or more of the Petitioner Parties;
- (q) **"Directors/Officers Claim"** means any right or claim of any Person against one or more of the Directors and/or Officers that relates to a Pre-Filing Claim or a Restructuring Claim, howsoever arising, for which the Directors and/or Officers are by statute or otherwise by law liable to pay in their capacity as Directors and/or Officers or in any other capacity;

- (r) **“Dispute Package”** means, with respect to any Claim, a copy of the related Proof of Claim or Landlord Proof of Claim, as applicable, Notice of Revision or Disallowance and Notice of Dispute;
- (s) **“Exempted Claim”** means, subject to further order of this Court,
 - (i) any right or claim of any Person that may be asserted or made in whole or in part against the Petitioner Parties (or any of them) in connection with any indebtedness, liability or obligation of any kind which arose in respect of obligations first incurred on or after the Filing Date (other than Restructuring Claims and Directors/Officers Claims) and any interest thereon, including any obligation of the Petitioner Parties toward creditors who have supplied or shall supply services, utilities, goods or materials or who have or shall have advanced funds to the Petitioner Parties on or after the Filing Date, but only to the extent of their claims in respect of the supply of such services, utilities, goods, materials or funds on or after the Filing Date;
 - (ii) any claim secured by any CCAA Charge;
 - (iii) that portion of a Claim arising from a cause of action for which the Petitioner Parties are covered by insurance, but only to the extent of such coverage;
 - (iv) any Intercompany Claim;
 - (v) any Claim referred to in sections 6(3), 6(5) and 6(6) of the CCAA;
 - (vi) any claims with respect to reasonable fees and disbursements of counsel of any Petitioner Party, the Monitor, a Claims Officer, or any financial advisor retained by any of the foregoing, as approved by the Court to the extent required;

- (vii) any Claim of any employee of the Petitioner Parties (or any of them) employed by the Petitioner Parties (or any of them) as of the Filing Date, but only in respect of a claim for wages, including vacation pay and banked time; and
- (viii) any Claim existing on the Filing Date that has been satisfied, cured or rectified on or before the date of the Vesting Order;
- (t) **"Filing Date"** means October 21, 2011;
- (u) **"includes"** means includes, without limitation, and **"including"** means including, without limitation;
- (v) **"Initial Order"** means the Order of the Court dated October 21, 2011 and as subsequently amended by Order dated November 18, 2011 and Order dated December 9, 2011, and as may be further amended, supplemented or varied by the Court;
- (w) **"Instruction Letter"** means the letter regarding completion of a Proof of Claim, which letter shall be substantially in the form attached hereto as **Schedule "C"**;
- (x) **"Intercompany Claim"** means any Claim of a Petitioner Party against another Petitioner Party or of any wholly owned, direct or indirect non-Petitioner Party subsidiary of a Petitioner Party against a Petitioner Party;
- (y) **"Landlord"** means
 - (i) a landlord, head landlord or owner of real property, whether or not in direct privity with any of the Petitioner Parties, who has a Claim in respect of any premises leased or otherwise occupied by any of the Petitioner Parties pursuant to a Lease to which such landlord, head landlord or owner is a party or by which such landlord, head landlord or owner is bound or otherwise enjoys or may enjoy the benefit of, and includes:

- A. any mortgagee of such premises who has taken possession of such premises or is collecting rent in respect of such premises; and
 - B. any Person who has taken an assignment of rents or assignment of Lease in respect of such premises, whether as security or otherwise.
- (ii) any Person whose Claim would be duplicative of or derivative from the Claim of such landlord, head landlord or owner; and
- (iii) any Person who has a Claim in such Person's capacity as a co-owner, partner, shareholder or trust beneficiary of a Person that is the landlord, head landlord or owner of any premises leased or otherwise occupied by the Petitioner Parties and includes:
- A. any holder of a valid mortgage, charge, pledge, assignment by way of security, lien, privilege, hypothec or security interest against such ownership, partnership, shareholder or beneficial interest who is entitled to receive any dividends or distributions thereon;
 - B. any Person who has taken an assignment of such ownership, partnership, shareholder or beneficial interest; and
 - C. any Person whose Claim would be duplicative of or derivative from the Claim of such first named Person,

and "**Landlords**" means all of them;

- (z) "**Landlord Claim Package**" means a document package which shall include a copy of the appropriate Landlord Instruction Letter, the Landlord Proof of Claim Form, this Claims Process Order and such other materials as the Monitor may consider appropriate or desirable;

- (aa) “**Landlord Instruction Letter**” means the letter regarding completion of a Landlord Proof of Claim, which letter shall be substantially in the form attached hereto as **Schedule “E”**;
- (bb) “**Landlord Proof of Claim**” means the form to be completed and filed by a Creditor setting forth its proposed Claim, which shall be substantially in the form attached hereto as **Schedule “F”**;
- (cc) “**Lease**” means any lease, sublease, license, sublicense, agreement to lease, offer to lease or other agreement or arrangement, whether written, oral or otherwise, pursuant to which the Petitioner Parties have or had the right to occupy premises and includes all amendments and supplements thereto and all documents ancillary thereto existing on October 21, 2011;
- (dd) “**Lease Terms**” means information pertaining to a Lease that has been submitted to the Monitor by a Landlord pursuant to a Landlord Proof of Claim, which information reflects only those terms of the Lease that were in effect as of October 21, 2011;
- (ee) “**Meeting of Creditors**” means a subsequent meeting of the Creditors ordered by the Court;
- (ff) “**Monitor**” means Alvarez & Marsal Canada Inc., in its capacity as Court-appointed Monitor pursuant to the Initial Order;
- (gg) “**Monitor’s Website**” means the Monitor’s website located at www.alvarezandmarsal.com/en/canada/sterling;
- (hh) “**Newspaper Notice**” means the notice of the Claims Process to be published in the newspapers listed in paragraph 14 of this Claims Process Order, calling for any and all Claims of creditors against the Petitioner Parties, in substantially the form attached hereto as **Schedule “I”**;
- (ii) “**Notice of Disclaimer or Resiliation**” means a written notice in any form issued on or after the Filing Date by the Petitioner Parties advising a

Person of the restructuring, disclaimer, resiliation, termination or breach of any contract, employment agreement, lease or other agreement or arrangement of any nature whatsoever, whether written or oral, and whether such restructuring, disclaimer, resiliation, termination or breach which took place or takes place before or after the date of this Claims Process Order;

- (jj) **“Notice of Dispute”** means the notice that may be delivered by a Creditor who has received a Notice of Revision or Disallowance disputing such Notice of Revision or Disallowance, which notice shall be substantially in the form attached hereto as **Schedule “H”**;
- (kk) **“Notice of Revision or Disallowance”** means the notice that may be delivered by the Monitor to a Creditor advising that the Monitor has revised or disallowed in whole or in part such Creditor’s Claim as set out in its Proof of Claim, which notice shall be substantially the form attached hereto as **Schedule “G”**;
- (ll) **“Officer”** means any Person who is or was, or may be deemed to be or have been, whether by statute, operation of law or otherwise, an officer of any one or more of the Petitioner Parties;
- (mm) **“Person”** means any individual, firm, partnership, joint venture, venture capital fund, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate (including a limited liability company and an unlimited liability company), corporation, unincorporated association or organization, governmental authority, syndicate or other entity, whether or not having legal status;
- (nn) **“Petitioner Parties”** means, collectively, the Petitioners and Sterling Shoes Limited Partnership;
- (oo) **“Petitioners”** means, collectively, Sterling Shoes Inc. and Sterling Shoes GP Inc.;

- (pp) “**Plan**” has the meaning given to it in paragraph 20(b) hereof;
- (qq) “**Pre-Filing Claim**” means any right or claim of any Person that may be asserted or made in whole or in part against the Petitioner Parties (or any of them), whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, in existence on, or which is based on, an event, fact, act or omission which occurred in whole or in part prior to the Filing Date, at law or in equity, by reason of the commission of a tort (intentional or unintentional), any breach of contract or other agreement (oral or written), any breach of duty (including, without limitation, any legal, statutory, equitable or fiduciary duty), any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise) or for any reason whatsoever against any of the Petitioner Parties or any of their property or assets, and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature including any right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action whether existing at present or commenced in the future, together with any other rights or claims not referred to above that are or would be claims provable in bankruptcy had the Petitioner Parties (or any one of them) become bankrupt on the Filing Date, and for greater certainty, includes any Tax Claim; provided, however, that “Pre-Filing Claim” shall not include an Exempted Claim;

- (rr) **“Proof of Claim”** means the form to be completed and filed by a Creditor setting forth its proposed Claim, substantially in the form attached hereto as **Schedule “D”**;
- (ss) **“Restructuring Claim”** means any right or claim of any Person against the Petitioner Parties (or any one of them) in connection with any indebtedness, liability or obligation of any kind whatsoever owed by the Petitioner Parties (or any one of them) to such Person arising out of the restructuring, disclaimer, resiliation, termination, or breach on or after the Filing Date of any contract, employment agreement, lease or other agreement or arrangement, whether written or oral, and whether such restructuring, disclaimer, resiliation, termination or breach took place or takes place before or after the date of this Claims Process Order, and includes for greater certainty any right or claim of an employee of any of the Petitioner Parties arising from a termination of its employment after the Filing Date; provided, however, that “Restructuring Claim” shall not include an Exempted Claim;
- (tt) **“Restructuring Claims Bar Date”** means the later of: (i) the Claims Bar Date; and (ii) 5:00 p.m. on the day that is ten (10) days after the date of the applicable Notice of Disclaimer or Resiliation, or such other date as may be ordered by the Court;
- (uu) **“Tax Claim”** means any Claim against the Petitioner Parties (or any of them) for any Taxes in respect of any taxation year or period ending on or prior to the Filing Date, and in any case where a taxation year or period commences on or prior to the Filing Date, for any Taxes in respect of or attributable to the portion of the taxation period commencing prior to the Filing Date and up to and including the Filing Date. For greater certainty, a Tax Claim shall include, without limitation, any and all Claims of any Taxing Authority in respect of transfer pricing adjustments and any Canadian or non-resident Tax related thereto;

- (vv) **“Taxing Authorities”** means Her Majesty the Queen, Her Majesty the Queen in right of Canada, Her Majesty the Queen in right of any province or territory of Canada, the Canada Revenue Agency, any similar revenue or taxing authority of each and every province or territory of Canada and any political subdivision thereof, the Internal Revenue Service and any similar revenue or taxing authority of the federal or state governments of the United States of America, and any Canadian or foreign governmental authority, and **“Taxing Authority”** means any one of the Taxing Authorities;
- (ww) **“Transfer Agent”** means Computershare Trust Co. of Canada; any notices delivered to the Transfer Agent should be addressed to the attention of **“Manager, Corporate Trust”**; and
- (xx) **“Vesting Order”** means the application to approve a purchase of all or substantially all of the assets of Sterling Shoes Limited Partnership.

Schedule "C"

FORM OF INSTRUCTION LETTER

INSTRUCTION LETTER

FOR THE CLAIMS PROCESS FOR CREDITORS OF STERLING SHOES INC., STERLING SHOES GP INC. AND STERLING SHOES LIMITED PARTNERSHIP

(hereinafter referred to collectively as the "Petitioner Parties")

1. Claims Process

By order of the Supreme Court of British Columbia (the "Court") dated April 2, 2012 (as may be amended, restated or supplemented from time to time, the "Claims Process Order"), in the proceeding commenced by the Petitioner Parties under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"), the Petitioner Parties have been authorized to conduct a claims process (the "Claims Process"). A copy of the Claims Process Order, with all schedules, may be found on the Monitor's Website at: www.alvarezandmarsal.com/en/canada/sterling. Capitalized terms used in this letter, which are not defined in this letter shall have the meaning ascribed to them in the Claims Process Order.

This letter provides instructions for Creditors, other than Landlords, for completing the Proof of Claim. A blank Proof of Claim form is included with this letter.

The Claims Process is intended for any Person asserting a Claim (other than an Exempted Claim) of any kind or nature whatsoever against any of the Petitioner Parties and/or any of their Directors and/or Officers arising before the Filing Date, and/or any Restructuring Claim arising on or after the Filing Date as a result of a restructuring, disclaimer, resiliation, termination or breach by any of the Petitioner Parties on or after the Filing Date of any contract, employment agreement, lease or other agreement or arrangement of any nature whatsoever, whether written or oral, and whether such restructuring, disclaimer, resiliation, termination or breach took place or takes place before or after the date of the Claims Process Order.

Current employees of the Petitioner Parties are not required to submit a Proof of Claim in respect of any Claim pertaining to wages, including vacation pay and banked time due to them.

Landlords of the Petitioner Parties are required to submit a Landlord Proof of Claim. A copy of the Landlord Claims Package may be found on the Monitor's website or by contacting the Monitor at the address indicated below.

If a notice setting out the amount which the Petitioner Parties have determined to be the amount of your Claim (a "Claim Amount Notice") is enclosed with this letter, and you do not dispute the nature or amount of such Claim as set out in the Claim Amount Notice, you are not required to file a Proof of Claim. If a Claim Amount Notice is enclosed and you dispute the nature or amount of your Claim as set out in the Claim Amount Notice, you must file a Proof of Claim (as referenced in paragraph 2 below) to avoid the barring and extinguishment of that portion of your

Claim that exceeds the amount set out in the Claim Amount Notice. Any Creditor, other than a Landlord, who receives a Claim Amount Notice and who does not file a Proof of Claim by the Claims Bar Date in accordance with paragraph 2 below is deemed to have accepted the nature and amount of such Claim, as set out in the applicable Claim Amount Notice.

If a Claim Amount Notice is **not** enclosed with this letter and you wish to file a Claim, you must file a Proof of Claim (as referenced in paragraph 2 below) to avoid the barring and extinguishment of any Claim which you may have against any of the Petitioner Parties and/or any of their Directors and/or Officers.

If you have any questions regarding the Claims Process, please contact the Court-appointed Monitor at the address provided below.

All enquiries with respect to the Claims Process should be addressed to:

Alvarez & Marsal Canada Inc.
Court-appointed Monitor of Sterling Shoes Inc. et al.
400 Burrard Street, Suite 1680
Vancouver, British Columbia V6C 3A6
Attention: **Tom Powell**
Telephone: 604.638.7440
Fax: 604.638.7441
Email: ssiclaims@alvarezandmarsal.com

2. For Creditors Submitting a Proof of Claim

If you have not received a Claim Amount Notice, or you have received a Claim Amount Notice and you dispute the nature or amount of the Claim as set out in such Claim Amount Notice, you are required to file a Proof of Claim, in the form enclosed herewith, and ensure **that it is received by the Monitor by 5:00 p.m. (Vancouver time) on May 9, 2012** (the “Claims Bar Date”), to avoid the barring and extinguishment of any Claim (other than a Restructuring Claim) you may have against any of the Petitioner Parties and/or any of their Directors and/or Officers in excess of any amount set out in the Claim Amount Notice enclosed herewith, if any.

To avoid the barring and extinguishment of any Restructuring Claim you may have against any of the Petitioner Parties and/or any of their Directors and/or Officers, you are required to file a Proof of Claim, in the form enclosed herewith, and ensure **that it is received by the Monitor by the later of: (a) the Claims Bar Date, and (b) 5:00 p.m. (Vancouver time) on the day which is ten (10) days after the date of the Notice of Disclaimer or Resiliation** sent to you (the “Restructuring Claims Bar Date”).

For the avoidance of doubt, any Claim or Restructuring Claim you may have against any of the Petitioner Parties must be filed in accordance with the Process set forth herein.

Additional Proof of Claim forms can be found on the Monitor’s website at www.alvarezandmarsal.com/en/canada/sterling or obtained by contacting the Monitor at the address indicated above and providing particulars as to your name, address, facsimile number

and e-mail address. Once the Monitor has this information, you will receive, as soon as practicable, additional Proof of Claim forms.

If you are submitting your Proof of Claim electronically, please submit it in one PDF file and ensure the name of the file is **[legal name of creditor]poc.pdf**.

3. Claims Order

While this Instruction Letter, along with its accompanying Proof of Claim form, is provided to assist you in the Claims Process, you must comply with the terms of the Claims Process Order dated **[April 2, 2012]**.

UNLESS YOU ARE A HOLDER OF A CLAIM FOR WHICH YOU HAVE RECEIVED A CLAIM AMOUNT NOTICE THAT YOU DO NOT DISPUTE; IF A PROOF OF CLAIM IN RESPECT OF YOUR CLAIM IS NOT RECEIVED BY THE MONITOR BY THE CLAIMS BAR DATE OR RESTRUCTURING CLAIMS BAR DATE, AS APPLICABLE:

(A) YOUR CLAIM SHALL BE FOREVER BARRED AND EXTINGUISHED AND YOU WILL BE PROHIBITED FROM MAKING OR ENFORCING A CLAIM AGAINST ANY OF THE PETITIONER PARTIES AND/OR ANY OF THEIR DIRECTORS AND/OR OFFICERS;

(B) YOU SHALL NOT BE PERMITTED TO VOTE ON ANY PLAN OF ARRANGEMENT OR COMPROMISE OR ENTITLED TO ANY FURTHER NOTICE OR DISTRIBUTION UNDER THE PLAN, IF ANY;

(C) YOU SHALL NOT BE ENTITLED TO ANY PROCEEDS OF SALE OF ANY OF THE PETITIONER PARTIES' ASSETS; AND

(D) YOU SHALL NOT BE ENTITLED TO PARTICIPATE AS A CREDITOR IN THE CCAA PROCEEDINGS OF THE PETITIONER PARTIES.

Schedule "D"

FORM OF PROOF OF CLAIM

**PROOF OF CLAIM
AGAINST STERLING SHOES INC., STERLING SHOES GP INC. AND
STERLING SHOES LIMITED PARTNERSHIP**

(hereinafter referred to collectively as the "Petitioner Parties")

Please read the enclosed Instruction Letter carefully prior to completing this Proof of Claim. Defined terms not defined within this Proof of Claim form shall have the meaning ascribed thereto in the Claims Process Order dated [April 2, 2012], as may be amended, restated or supplemented from time to time.

1. Particulars of Creditor

(a) Please complete the following:

Full Legal Name: <i>(Full legal name should be the name of the original Creditor, regardless of whether an assignment of a Claim, or a portion thereof, has occurred prior to or following the Filing Date.)</i>	
Full Mailing Address: <i>(Full Mailing Address should be that of the Creditor not of the Assignee.)</i>	
Telephone Number:	
Facsimile Number:	
E-mail address:	
Attention (Contact Person):	

(b) Has the Claim been sold, transferred or assigned by the Creditor to another party (an "Assignee")?

Yes: ☐

No: ☐

2. Particulars of Assignee(s) (If any):

- (a) Please complete the following if all or a portion of the Claim has been assigned. Insert full legal name of assignee(s) of the Claim. If there is more than one assignee, please attach a separate sheet with the required information:

Full Legal Name of Assignee(s):	
Full Mailing Address of Assignee(s):	
Telephone Number of Assignee(s):	
Facsimile Number of Assignee(s):	
E-mail address of Assignee(s):	
Attention (Contact Person):	

3. Proof of Claim:

I, _____ (*name of individual Creditor or Representative of corporate Creditor*), of _____ (*City, Province or State*) do hereby certify:

that I ☐ am a Creditor; OR

☐ am _____ (*state position or title*) of _____ (*name of corporate Creditor*), which is a Creditor;

that I have knowledge of all the circumstances connected with the Claim referred to below;

that _____ (*name of applicable Petitioner Parties and/or Directors and/or Officers*) was and still is indebted to the Creditor as follows;

CLAIM (other than Restructuring Claim):

\$ _____ (*insert \$ value of Claim*)

RESTRUCTURING CLAIM:

\$ _____ (*insert \$ value of Claim arising after the Filing Date resulting from the*

restructuring, disclaimer, resiliation, termination or breach after the Filing Date of any contract, employment agreement, lease or other agreement or arrangement of any nature whatsoever, whether written or oral);

that the Creditor's Claim and the Creditor's invoices, statements and/or supporting documents attached are denominated in:

[] Canadian Dollars
 [] U.S. Dollars
 [] Other: _____ (*stipulate other currency referenced*)

A. TOTAL CLAIM(S) \$ _____

(Note: Claims in a currency other than Canadian Dollars will be converted to Canadian Dollars at the noon spot rate of the Bank of Canada as at the Filing Date, October 21, 2011.

4. Nature of Claim:

(Check and complete appropriate category)

☐ A. UNSECURED CLAIM OF \$ _____. That in respect of this debt, no assets of any of the Petitioner Parties are pledged as security.

☐ B. SECURED CLAIM OF \$ _____. That in respect of this debt, assets of _____ (*insert name of applicable Petitioner Parties*) valued at \$ _____ are pledged to me as security, particulars of which are as follows:

(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

5. Particulars of Claims:

Other than as already set out herein, the particulars of the undersigned's total Claim and/or Restructuring Claim are attached.

(Provide all particulars of the claims and supporting documentation, including amount, description of transaction(s) or agreement(s) giving rise to the claims, name of any guarantor which has guaranteed the claims, and amount of invoices, particulars of all credits, discounts, etc. claimed, description of the security, if any, granted by the Petitioner Parties to the Creditor and estimated value of such security. Where a claim is advanced against any Directors or Officers, please provide either a reference to a statutory authority for your claim or enclose a draft Notice of Civil Claim.)

6. Filing of Claims:

This Proof of Claim **must be received by the Monitor by no later than 5:00 p.m. (Vancouver time) on May 9, 2012** (the "Claims Bar Date") unless your claim is a Restructuring Claim.

Proofs of Claim for Restructuring Claims arising after the Filing Date resulting from a restructuring, disclaimer, resiliation, termination, or breach after the Filing Date of any contract, employment agreement, lease or other agreement or arrangement of any nature whatsoever, whether written or oral, **must be received by the Monitor by the later of: (a) the Claims Bar Date, and (b) by 5:00 p.m. (Vancouver time) on the day which is 10 days after the date of the applicable Notice of Disclaimer or Resiliation** (the "Restructuring Claims Bar Date").

FAILURE TO FILE YOUR PROOF OF CLAIM AS DIRECTED BY THE CLAIMS BAR DATE OR RESTRUCTURING CLAIMS BAR DATE, AS APPLICABLE, WILL RESULT IN YOUR CLAIM BEING FOREVER BARRED AND EXTINGUISHED, AND YOU WILL BE PROHIBITED FROM MAKING OR ENFORCING A CLAIM AGAINST ANY OF THE PETITIONER PARTIES AND/OR ANY OF THEIR DIRECTORS AND/OR OFFICERS.

This Proof of Claim must be delivered by prepaid registered mail, personal delivery, e-mail, courier or facsimile transmission at the following addresses:

Alvarez & Marsal Canada Inc.
 Court-appointed Monitor of Sterling Shoes Inc. et al.
 400 Burrard Street, Suite 1680
 Vancouver, British Columbia V6C 3A6
 Attention: **Tom Powell**
 Telephone: 604.638.7440
 Fax: 604.638.7441
 Email: ssicclaims@alvarezandmarsal.com

DATED this _____ day of _____, 2012.

 Witness:

Per: _____

Print name of Creditor: _____

*If Creditor is other than an individual, print
 name and title of authorized signatory*

Name: _____

Title: _____

Schedule "E"

FORM OF INSTRUCTION LETTER

LANDLORD INSTRUCTION LETTER

FOR THE CLAIMS PROCESS FOR LANDLORDS OF STERLING SHOES INC.,
STERLING SHOES GP INC. AND STERLING SHOES LIMITED
PARTNERSHIP

(hereinafter referred to collectively as the "Petitioner Parties")

1. Claims Process

By order of the Supreme Court of British Columbia (the "Court") dated [April 2, 2012] (as may be amended, restated or supplemented from time to time, the "Claims Process Order"), in the proceeding commenced by the Petitioner Parties under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"), the Petitioner Parties have been authorized to conduct a claims process (the "Claims Process"). A copy of the Claims Process Order, with all schedules, may be found on the Monitor's Website at: www.alvarezandmarsal.com/en/canada/sterling. Capitalized terms used in this letter, which are not defined in this letter shall have the meaning ascribed to them in the Claims Process Order.

This letter provides instructions for Landlords for completing the Landlord Proof of Claim. A blank Landlord Proof of Claim form is included with this letter.

The Claims Process is intended to determine the amount of Claims of Landlords with reference to the terms of the applicable Lease in full force and effect as at October 21, 2011. A Claim of a Landlord is a claim that may arise, directly or indirectly as a result, or otherwise in respect of the restructuring, termination, repudiation or resiliation of any Lease, or an agreement with a Landlord amending a Lease **on or after October 21, 2011**, including, without limitation, any physical damages caused by the Petitioner Parties or any of its agents in abandoning any leased premises and removing any signage or other equipment from such leased premises. Any changes to the Lease that became effective after October 21, 2011 should not be reflected in the Landlord Proof of Claim.

For greater certainty, this Landlord Proof of Claim is not to be used for any claim of a Landlord existing before October 21, 2011, including rent arrears owing as of October 21, 2011, for which the Landlord must submit a Proof of Claim pursuant to the Claims Process Order by the Claims Bar Date.

If you wish to file a Claim, you must file a Landlord Proof of Claim (as referenced in paragraph 2 below) to avoid the barring and extinguishment of any Claim which you may have against any of the Petitioner Parties and/or any of their Directors and/or Officers.

If you have any questions regarding the Claims Process, please contact the Court-appointed Monitor at the address provided below.

All enquiries with respect to the Claims Process should be addressed to:

Alvarez & Marsal Canada Inc.
 Court-appointed Monitor of Sterling Shoes Inc. et al.
 400 Burrard Street, Suite 1680
 Vancouver, British Columbia V6C 3A6
 Attention: **Tom Powell**
 Telephone: 604.638.7440
 Fax: 604.638.7441
 Email: ssicclaims@alvarezandmarsal.com

2. Submitting a Landlord Proof of Claim

If you wish to file a Claim against the Petitioner Parties and/or any of the Directors and/or Officers arising on or after October 21, 2011, you are required to file a Landlord Proof of Claim, in the form enclosed herewith, and ensure that it is received by the Monitor by the later of: (a) the Claims Bar Date, and (b) 5:00 p.m. (Vancouver time) on the day which is ten (10) days after the date of the Notice of Disclaimer or Resiliation sent to you (the “Restructuring Claims Bar Date”), to avoid the barring and extinguishment of a Claim you may have against any of the Petitioner Parties and/or any of their Directors and/or Officers, if any.

For the avoidance of doubt, any Claim you may have against any of the Petitioner Parties must be filed in accordance with the Process set forth herein.

Additional Landlord Proof of Claim forms can be found on the Monitor’s website at www.alvarezandmarsal.com/en/canada/sterling or obtained by contacting the Monitor at the address indicated above and providing particulars as to your name, address, facsimile number and e-mail address. Once the Monitor has this information, you will receive, as soon as practicable, additional Landlord Proof of Claim forms.

If you are submitting your Landlord Proof of Claim electronically, please submit it in one PDF file and ensure the name of the file is **[legal name of landlord]lpoc.pdf**.

3. Specific Instructions for Completing the Landlord Proof of Claim

One Landlord Proof of Claim is to be completed for each location or Lease and not one form combined for each Landlord.

The Landlord Proof of Claim must be completed by an individual and not by a corporation. The individual acting for a corporation or other person must state the capacity in which such individual is acting, such as “Credit Manager”, “Treasurer”, “Authorized Agent”, etc. The individual completing the Landlord Proof of Claim must

have knowledge of the circumstances connected with such information. All Landlord Proofs of Claim must be signed, dated and witnessed.

The Landlord Proof of Claim must be received by the Monitor at the address indicated thereon by the Restructuring Claims Bar Date. If a Landlord fails to file a Landlord Proof of Claim by that date, such Landlord will be barred from proving a Claim.

The Lease Terms provided should be in accordance with the terms of the Lease in effect as at October 21, 2011. Any amendments to the Lease made after October 21, 2011 should not be reflected in the Landlord Proof of Claim. The following guidelines should be followed in providing Lease Terms:

A. "Base Rent" to be provided in section A, part 1) on the Landlord Proof of Claim means the minimum, basic net, or base rent applicable to the location as contained in the Lease, but does not include (a) percentage rent, if any, and (b) additional amounts such as realty taxes, goods and services taxes, utilities, common area maintenance charges, etc. whether or not such amounts are payable under the Lease as rent. The pertinent sections of the Lease, which outline Base Rent over the term of the Lease should be attached and highlighted as support.

B. Where the Lease specifically provides for increases in Base Rent during the Lease term, the Base Rent table in section A, part 1) on the Landlord Proof of Claim should be completed by providing details, on a separate line for each rate of Base Rent provided for in the Lease, from October 21, 2011 onward, by clearly indicating the date from which the increased rate becomes effective to the last date the rate will be effective. The pertinent sections of the Lease, which outline Base Rent increases over the term of the Lease should be attached and highlighted as support. The Base Rent and Lease Terms provided should exclude options to renew or extend at the discretion of the tenant.

C. "Additional Rent" to be provided in section A, part 2) on the Landlord Proof of Claim should be completed for additional amounts, only if specifically provided for in the Lease, for realty taxes, common area maintenance costs, etc. and should be supported by the applicable excerpts of the Lease that indicate these amounts would constitute a component of rents payable.

D. For Additional Rent amounts, provided in accordance with the above, supporting documents should be provided and attached to the Landlord Proof of Claim, to substantiate the amount of the charges on either an annual or monthly basis, as applicable. Where these amounts are contingent on future information, the amount provided should be the amount charged to the Petitioner Parties in the preceding 12 months. Supporting documents should be provided for the prior 12 months' additional rent if applicable.

For example, realty taxes should be based on 2011 Final Tax Bill. If this information is not available, the actual realty taxes charged in the previous year should be provided with supporting documentation. If the Lease does not fix the amount charged for common area maintenance, the amount invoiced for most recent 12-month period should be provided along with supporting documentation.

E. If the Lease has been sold or assigned by the Landlord, the name of the Assignee(s), as well as supporting documentation with respect to the sale or assignment, must be attached to the Landlord Proof of Claim. The Landlord Proof of Claim can be completed by either the Landlord or by the Assignee. The Landlord and any Assignees must determine amongst themselves who will file the Landlord Proof of Claim.

4. Claims Order

While this Landlord Instruction Letter, along with its accompanying Landlord Proof of Claim, is provided to assist you in the claims process, you must comply with the terms of the Claims Process Order dated [April 2, 2011].

IF A LANDLORD PROOF OF CLAIM IN RESPECT OF YOUR CLAIM IS NOT RECEIVED BY THE MONITOR BY THE CLAIMS BAR DATE OR RESTRUCTURING CLAIMS BAR DATE, AS APPLICABLE:

- (A) YOUR CLAIM SHALL BE FOREVER BARRED AND EXTINGUISHED AND YOU WILL BE PROHIBITED FROM MAKING OR ENFORCING A CLAIM AGAINST ANY OF THE PETITIONER PARTIES AND/OR ANY OF THEIR DIRECTORS AND/OR OFFICERS;**
- (B) YOU SHALL NOT BE PERMITTED TO VOTE ON ANY PLAN OF ARRANGEMENT OR COMPROMISE OR ENTITLED TO ANY FURTHER NOTICE OR DISTRIBUTION UNDER THE PLAN, IF ANY;**
- (C) YOU SHALL NOT BE ENTITLED TO ANY PROCEEDS OF SALE OF ANY OF THE PETITIONER PARTIES' ASSETS; AND**
- (D) YOU SHALL NOT BE ENTITLED TO PARTICIPATE AS A CREDITOR IN THE CCAA PROCEEDINGS OF THE PETITIONER PARTIES.**

Schedule "F"

FORM OF LANDLORD PROOF OF CLAIM

**LANDLORD PROOF OF CLAIM
AGAINST STERLING SHOES INC., STERLING SHOES GP INC. AND
STERLING SHOES LIMITED PARTNERSHIP**

(hereinafter referred to collectively as the "Petitioner Parties")

Please read the enclosed Landlord Instruction Letter carefully prior to completing this Landlord Proof of Claim. Defined terms not defined within this Landlord Proof of Claim form shall have the meaning ascribed thereto in the Claims Process Order dated [April 2, 2012], as may be amended, restated or supplemented from time to time.

1. Particulars of Landlord

(a) Please complete the following:

Full Legal Name: <i>(Name should be the name of the original Landlord, regardless of whether an assignment of a Claim, or a portion thereof, has occurred prior to or following the Filing Date)</i>	
Location of Premises:	
Full Mailing Address: <i>(Full Mailing Address should be that of the original Landlord, not of the Assignee)</i>	
Telephone Number:	
Facsimile Number:	
E-mail address:	
Attention (Contact Person):	

(b) Has the Claim been sold, transferred or assigned by the Landlord to another party (an "Assignee")?

Yes: ☐

No: **2. Particulars of Assignee(s) (if any):**

- (a) Please complete the following if all or a portion of the Claim has been assigned. Insert full legal name of assignee(s) of the Claim. If there is more than one assignee, please attach a separate sheet with the required information:

Full Legal Name of Assignee(s):	
Full Mailing Address of Assignee(s):	
Telephone Number of Assignee(s):	
Facsimile Number of Assignee(s):	
E-mail address of Assignee(s):	
Attention (Contact Person):	

3. Proof of Claim:

I, _____ (*name of individual Landlord or Representative of corporate Landlord*), of _____ (*City, Province or State*) do hereby certify:

that I am a Landlord; OR

am _____ (*state position or title*) of _____ (*name of corporate Landlord*), which is a Landlord;

that I have knowledge of all the circumstances connected with the Claim referred to below;

that _____ (*name of applicable Petitioner Parties and/or Directors and/or Officers*) was and still is indebted to the Landlord as follows;

RESTRUCTURING CLAIM (to be calculated with reference to "5. Particulars of Claims", outlined below) :

\$ _____ (*insert \$ value of Claim arising after the Filing Date resulting from the restructuring, disclaimer, resiliation, termination or breach of the Lease after the Filing Date of any contract, employment*)

agreement, lease or other agreement or arrangement of any nature whatsoever, whether written or oral);

that the Landlord's Claim and the Landlord's invoices, statements and/or supporting documents attached are denominated in:

[] Canadian Dollars
 [] U.S. Dollars
 [] Other: _____ (*stipulate other currency referenced*)

A. TOTAL CLAIM(S) \$ _____

(Note: Claims in a currency other than Canadian Dollars will be converted to Canadian Dollars at the noon spot rate of the Bank of Canada as at the Filing Date, October 21, 2011.

4. Nature of Claim:

(Check and complete appropriate category)

☐ A. UNSECURED CLAIM OF \$ _____. That in respect of this debt, no assets of any of the Petitioner Parties are pledged as security.

☐ B. SECURED CLAIM OF \$ _____. That in respect of this debt, assets of _____ (*insert name of applicable Petitioner Parties*) valued at \$ _____ are pledged to me as security, particulars of which are as follows:

(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

5. Particulars of Claims:

LEASE TERMS

a) Base Rent Information

Please complete the table below outlining Base Rent from October 21, 2011 through to the expiry of the Lease term. (Please refer to the "Landlord Instruction Letter" for the definition of Base Rent. Please use a separate line for each period that a Base Rent increase comes into effect.) Claims on account of rent arrears owing as at October 21, 2011 should not be included in this Landlord Proof of Claim Form. The Base Rent and Lease Terms provided should exclude options to renew at the discretion of the tenant.

From (Month/Day/Year)	To (Month/Day/Year)	Base Monthly Rent (\$Cdn)
-----------------------	---------------------	---------------------------

October 21, 2011		

Final date Lease is to expire : _____

(If your Lease payments are denominated in a foreign currency, they will be converted to Canadian dollars at the exchange rate of the Bank of Canada as at October 21, 2011).

b) Additional Rents

Please complete the items below, **only if they are specifically provided for in the Lease as Additional Rents**, and provide a copy of the applicable section of the Lease which demonstrates these charges constitute a component of Additional Rents. Please also indicate whether these amounts are charged on a monthly or annual basis (Refer to the "Landlord Instruction Letter") and attach supporting documentation. Please note that realty taxes should be based on 2011 Final Tax Bill. If this information is not available, the actual realty taxes charged in the previous year should be provided with supporting documentation. If the Lease does not fix the amount charged for Common Area Maintenance, the amount invoiced for most recent 12-month period should be provided.

Additional Rents	Monthly Charge (if applicable)	Annual Charge (if applicable)	
Realty Taxes			
Common Area Maintenance			
Other (please specify nature of additional rents)			

c) Additional Information

Names of any guarantors or indemnifiers, which have guaranteed or indemnified the Lease:

Description of security, if any, granted to Landlord or assigned by the Landlord to an Assignee of the Lease:

Description of any physical damages, including estimates of repair costs, caused by any of the Petitioner Parties or their agent(s) abandoning any leased premises, and/or the removal of any signage or other equipment after October 21, 2011. Physical damages not caused by any of the Petitioner Parties or its agent or which pre-dated October 21, 2011 should be excluded:

Estimated time required to re-let premises (include basis of such estimate) or the date on which the premises were re-let:

6. Filing of Claims:

Landlord Proofs of Claim for Restructuring Claims arising after the Filing Date resulting from a restructuring, disclaimer, resiliation, termination, or breach of a Lease, **must be received by the Monitor by the later of: (a) by 5:00 p.m. (Vancouver time) on May 9, 2012, and (b) by 5:00 p.m. (Vancouver time) on the day which is 10 days after the date of the applicable Notice of Disclaimer or Resiliation** (the "Restructuring Claims Bar Date").

FAILURE TO FILE YOUR LANDLORD PROOF OF CLAIM AS DIRECTED BY THE CLAIMS BAR DATE OR RESTRUCTURING CLAIMS BAR DATE, AS APPLICABLE, WILL RESULT IN YOUR CLAIM BEING FOREVER BARRED AND EXTINGUISHED, AND YOU WILL BE PROHIBITED FROM MAKING OR ENFORCING A CLAIM AGAINST ANY OF THE PETITIONER PARTIES AND/OR ANY OF THEIR DIRECTORS AND/OR OFFICERS.

This Landlord Proof of Claim must be delivered by prepaid registered mail, personal delivery, e-mail, courier or facsimile transmission at the following addresses:

Alvarez & Marsal Canada Inc.
 Court-appointed Monitor of Sterling Shoes Inc. et al.
 400 Burrard Street, Suite 1680

Vancouver, British Columbia V6C 3A6
 Attention: **Tom Powell**
 Telephone: 604.638.7440
 Fax: 604.638.7441
 Email: ssiclaims@alvarezandmarsal.com

DATED this _____ day of _____, 2012.

 Witness:

Per: _____

Print name of Landlord:

*If Landlord is other than an individual, print
 name and title of authorized signatory*

Name: _____

Title: _____

Schedule "G"**FORM OF NOTICE OF REVISION OR DISALLOWANCE**

**NOTICE OF REVISION OR DISALLOWANCE
OF STERLING SHOES INC., STERLING SHOES GP INC. AND STERLING
SHOES LIMITED PARTNERSHIP
(hereinafter referred to collectively as the "Petitioner Parties")**

Full Legal Name of Creditor: _____

Reference #: _____

Pursuant to the order of the Supreme Court of British Columbia dated [April 2, 2012] (as may be amended, restated or supplemented from time to time), Alvarez & Marsal Canada Inc., in its capacity as Monitor of the Petitioner Parties, hereby gives you notice that the Petitioner Parties, in consultation with the Monitor, have reviewed your Proof of Claim or Landlord Proof of Claim, as applicable, and have revised or disallowed your Claim as follows:

	Proof of Claim/Landlord Proof of Claim as Submitted (\$CDN)	Revised Claim as Accepted (\$CDN)	Secured (\$CDN)	Unsecured (\$CDN)
Total Claim				

Reason for the Revision or Disallowance:

If you do not agree with this Notice of Revision or Disallowance please take notice of the following:

If you intend to dispute a Notice of Revision or Disallowance, you must deliver a Notice of Dispute, in the form attached hereto, by prepaid registered mail, personal delivery, e-mail (in PDF format), courier or facsimile transmission to the address indicated herein so that such Notice of Dispute is received by the Monitor by 5:00 p.m. (Vancouver time) on ●, 2012 [being ten (10) days after the date of this Notice of Revision or Disallowance], or such other date as may be agreed to by the Monitor. The form of Notice of Dispute is attached to this Notice.

Where a Notice of Dispute is being submitted electronically, please submit one pdf file with the file named as follows: [insert legal name of creditor]nod.pdf.

If you do not deliver a Notice of Dispute by the time specified, the nature and amount of your Claim, if any, shall be as set out in this Notice of Revision or Disallowance.

Address for Service of Notices of Dispute:

Alvarez & Marsal Canada Inc.
Court-appointed Monitor of Sterling Shoes Inc. et al.
400 Burrard Street, Suite 1680
Vancouver, British Columbia V6C 3A6
Attention: **Tom Powell**
Telephone: 604.638.7440
Fax: 604.638.7441
Email: ssicclaims@alvarezandmarsal.com

**IF YOU FAIL TO TAKE ACTION WITHIN THE PRESCRIBED TIME PERIOD,
THIS NOTICE OF REVISION OR DISALLOWANCE WILL BE BINDING
UPON YOU.**

Dated at _____ this _____ day of _____, 2012.

ALVAREZ & MARSAL CANADA INC.
In its capacity as the Court-appointed Monitor
of Sterling Shoes Inc. et al.

Per: _____

Name: _____

Title: _____

Schedule "H"

FORM OF NOTICE OF DISPUTE

**NOTICE OF DISPUTE
OF STERLING SHOES INC., STERLING SHOES GP INC. AND STERLING
SHOES LIMITED PARTNERSHIP**

(hereinafter referred to collectively as the "Petitioner Parties")

Pursuant to the order of the Supreme Court of British Columbia dated [April 2, 2012] (as may be amended, restated or supplemented from time to time), I/we hereby give you notice of my/our intention to dispute the Notice of Revision or Disallowance bearing Reference Number _____ and dated _____ issued by Alvarez & Marsal Canada Inc., in its capacity as Monitor of the Petitioner Parties, in respect of my/our Claim.

Full Legal Name of Creditor/Landlord: _____

	Reviewed Claim as Accepted (\$CDN)	Reviewed Claim as Disputed (\$CDN)	Secured (\$CDN)	Unsecured (\$CDN)
Total Claim				

Reasons for Dispute (attach additional sheet and copies of all supporting documentation if necessary):

Signature of Individual: _____

Date: _____

(Please print name): _____

Telephone Number: (____) _____

Facsimile Number: () _____

Email Address: _____

Full Mailing Address:

This form and supporting documentation is to be returned by prepaid registered mail, personal delivery, e-mail (in pdf format), courier or facsimile transmission to the address indicated herein and is to be received by the Monitor by 5:00 p.m. (Vancouver time) on ●, 2012 [being seven (7) days after the date of the Notice of Revision or Disallowance], or such other date as may be agreed to by the Monitor.

Where this Notice of Dispute is being submitted electronically, please submit one pdf file with the file named as follows: [insert legal name of creditor/landlord]nod.pdf.

Address for Service of Notices of Dispute:

Alvarez & Marsal Canada Inc.
Court-appointed Monitor of Sterling Shoes Inc. et al.
400 Burrard Street, Suite 1680
Vancouver, British Columbia V6C 3A6
Attention: **Tom Powell**
Telephone: 604.638.7440
Fax: 604.638.7441
Email: ssiclaims@alvarezandmarsal.com

Schedule "I"

FORM OF NEWSPAPER NOTICE

NOTICE TO CREDITORS OF STERLING SHOES INC., STERLING SHOES GP
INC. AND STERLING SHOES LIMITED PARTNERSHIP

(hereinafter referred to collectively as the "Petitioner Parties")

RE: NOTICE OF CLAIMS PROCESS FOR THE PETITIONER PARTIES
PURSUANT TO THE *COMPANIES' CREDITORS ARRANGEMENT ACT*
("CCAA")

This notice is being published pursuant to an order of the Supreme Court of British Columbia dated [April 2, 2012] (the "Claims Process Order") which approved a claims Process for the determination of certain claims against the Petitioner Parties and/or their Directors and/or Officers. The claims Process only applies to the Claims of Creditors described in the Claims Process Order. A copy of the Claims Process Order and other public information concerning the CCAA proceedings can be obtained on the website of Alvarez & Marsal Canada Inc., the Court-Appointed Monitor of the Petitioner Parties (the "Monitor") at www.alvarezandmarsal.com/en/canada/sterling. Any person who may have a claim against any of the Petitioner Parties and/or any of their Directors and/or Officers should carefully review and comply with the Claims Process Order.

Any person having a Claim against any of the Petitioner Parties and/or any of their Directors and/or Officers arising or relating to the period prior to October 21, 2011 (the "Filing Date"), which would have been a claim provable in bankruptcy had the Petitioner Parties become bankrupt on the Filing Date and who does not receive a Claim Amount Notice with their Claims Package, or who receives a Claim Amount Notice with their Claims Package but disputes the amount or nature of their Claim as listed in their Claim Amount Notice, must send a Proof of Claim or Landlord Proof of Claim, as applicable, to the Monitor, to be received by the Monitor by no later than 5:00 p.m. (Vancouver time) on May 9, 2012 (the "Claims Bar Date").

Proofs of Claim and Landlord Proofs of Claim for Claims arising as a result of a restructuring, disclaimer, resiliation, termination, or breach by any of the Petitioner Parties on or after the Filing Date of any contract, lease, employment agreement, Lease or other agreement or arrangement of any nature whatsoever, whether written or oral, must be received by the Monitor by no later than: (a) the Claims Bar Date; and (b) 5:00 p.m. (Vancouver time) on the day which is ten (10) days after the date of the Notice of Disclaimer or Resiliation sent by the Monitor to such creditor.

For the avoidance of doubt, any claim a creditor may have against any of the Petitioner Parties must be filed in accordance with the Process set forth in the Claims Process Order. Creditors requiring more information or who have not received a Proof of Claim form or Claims Package or a Landlord Proof of Claim or Landlord Claims Package,

should contact the Monitor by telephone at (604) 638-7440, fax at (604) 638-7441, or email at ssiclaims@alvarezandmarsal.com or visit the Monitor's website at: www.alvarezandmarsal.com/en/canada/sterling.

UNLESS EXPRESSLY PROVIDED IN THE CLAIMS PROCESS ORDER, HOLDERS OF CLAIMS THAT DO NOT FILE PROOFS OF CLAIM OR LANDLORD PROOFS OF CLAIM, AS APPLICABLE, WITH THE MONITOR BY THE APPLICABLE DEADLINE SPECIFIED ABOVE SHALL NOT BE ENTITLED TO ANY FURTHER NOTICE OR DISTRIBUTION UNDER A PLAN, IF ANY, OR OF ANY PROCEEDS OF SALE OF ANY OF THE PETITIONER PARTIES' ASSETS, OR TO PARTICIPATE AS A CREDITOR IN THE CCAA PROCEEDINGS OF THE PETITIONER PARTIES, AND SHALL BE PROHIBITED FROM MAKING OR ENFORCING ANY CLAIM AGAINST ANY OF THE PETITIONER PARTIES AND/OR ANY OF THEIR DIRECTORS AND/OR OFFICERS. ADDITIONALLY, ANY CLAIMS SUCH CREDITOR MAY HAVE AGAINST ANY OF THE PETITIONER PARTIES AND/OR ANY OF THEIR DIRECTORS AND/OR OFFICERS SHALL BE FOREVER BARRED AND EXTINGUISHED.

No.S-117081
Vancouver Registry

IN THE SUPREME COURT OF BRITISH
COLUMBIA

IN THE MATTER OF THE *COMPANIES'*
CREDITORS ARRANGEMENT ACT, R.S.C.
1985, c. C-36

AND IN THE MATTER OF THE CANADA
BUSINESS CORPORATIONS ACT, R.S.C.
1985, c. C-44

AND IN THE MATTER OF STERLING SHOES
INC. AND STERLING SHOES GP INC.

PETITIONERS

CLAIMS PROCESS ORDER

Peter Rubin / Andrew Crabtree
Blake Cassels & Graydon LLP
Barristers & Solicitors
595 Burrard Street, PO Box 49314
Suite 2600, Three Bentall Centre
Vancouver, B.C. V7X 1L3
Phone: 604.631.3300
Agent: Dye & Durham

Registrar