

less than a weekly basis for deposit in Merchant's existing accounts, trust accounts or other accounts, as designated by Merchant. Provided that Agent has collected all Sales Taxes during the Sale and remitted the proceeds thereof to Merchant, Merchant shall promptly pay all Sales Taxes and file all applicable reports and documents required by the applicable taxing authorities; provided, however, that notwithstanding anything to the contrary herein, in the event that Agent uses any system other than Merchant's point of sale system to compute Sales Taxes relating to the Sale, Agent shall reimburse Merchant for any additional Sales Taxes, interest, fines, penalties, and the like payable to any taxing authority as the result of a Sales Tax audit conducted by or on behalf of such authority which discloses that the Sales Taxes collected by Agent and paid over to Merchant for any period during the Sale were less than those mandated by applicable law (any such additional Sales Taxes and other amounts are collectively referred to herein as "Additional Taxes and Penalties"). Merchant will be given access to the computation of gross receipts for verification of all such Sales Tax collections. Provided Agent performs its responsibilities in accordance with this Section 8.3, Merchant shall indemnify and hold harmless Agent from and against any and all costs, including, but not limited to, reasonable attorneys' fees, assessments, fines or penalties which Agent sustains or incurs as a result or consequence of the failure by Merchant to promptly pay such taxes to the proper taxing authorities and/or the failure by Merchant to promptly file with such taxing authorities all reports and other documents required, by applicable law, to be filed with or delivered to such taxing authorities. If Agent fails to perform its responsibilities in accordance with this Section 8.3, and provided Merchant complies with its obligations in accordance with this Section 8.3, Agent shall indemnify and hold harmless Merchant from and against any and all costs including, but not limited to, reasonable legal fees, assessments, fines or penalties which Merchant sustains or incurs as a result or consequence of the failure by Agent to collect Sales Taxes, remit to Merchant, and/or, to the extent Agent is required hereunder to prepare reports and other documents, the failure by Agent to promptly deliver any and all reports and other documents required to enable Merchant to file any requisite returns with such taxing authorities.

8.4 Supplies. Agent shall have the right to use all existing supplies necessary to conduct the Sale (e.g., boxes, bags, twine, merchandise credits or the like) located at the Closing Stores at no charge to Agent. In the event that additional supplies are required in any of the Closing Stores during the Sale, the acquisition of such additional supplies shall be the responsibility of Agent as an Expense; provided, however, that Merchant shall assist Agent in obtaining supplies from Merchant's vendors at Merchant's cost.

8.5 Returns of Merchandise. During the first fourteen (14) days of the Sale Term (the "Returns Period"), and only at the Closing Stores, Agent shall accept returns of merchandise sold by Merchant prior to the Sale Commencement Date, otherwise consistent with Merchant's return policy in effect at the time such item was purchased (the "Pre-Sale Returned Merchandise"). To the extent that any item of Pre-Sale Returned Merchandise is saleable as first-quality merchandise and is received during the Returns Period, then such item shall be included in the Sale as Merchandise at the Cost Value, without adjustment. To the extent that any item of Pre-Sale Returned Merchandise is not saleable first quality merchandise or is received after the Returns Period, then such item shall form part of the Excluded Merchandise under this Agreement. The aggregate Cost Value of the Merchandise shall be increased by the

applicable Cost Value of any Pre-Sale Returned Merchandise included in Merchandise as provided for in this Section 8.5. Agent shall reimburse customers for Pre-Sale Returned Merchandise in the same tender as such item was purchased (as the case may be, the "Refund"). Merchant shall promptly reimburse Agent in cash for any Refunds Agent is required to issue to customers in respect of any Pre-Sale Returned Merchandise as part of the weekly reconciliation process. To the extent that Merchant is required to reimburse Agent for refunds to customers in respect of any Pre-Sale Returned Merchandise, such amounts shall not reduce Proceeds under this Agreement. Any Pre-Sale Returned Merchandise not included in Merchandise shall be disposed of by Agent in accordance with instructions received from Merchant or, in the absence of such instructions, returned to Merchant at the end of the Sale Term.

8.6. No Gift Certificates. For the first fourteen (14) days of the Sale Term, Agent shall accept Merchant's valid gift certificates, gift cards, and Merchandise credits issued by Merchant prior to the Sale Commencement Date. Merchant shall reimburse Agent in cash for all of the gift cards honored, and such amounts shall be reconciled and remitted as part of the weekly reconciliation provided for in Section 3.7(a). No gift certificates, gift cards or Merchandise credits shall be issued or sold by Agent during the Sale Term.

8.7. Force Majeure. If any casualty, act of terrorism, or act of God prevents or substantially inhibits the conduct of business in the ordinary course at any Closing Store for one (1) or more days, such Closing Store and the Merchandise located at such Closing Store shall, in Agent's discretion, be eliminated from the Sale and considered to be deleted from this Agreement as of the date of such event, and Agent and Merchant shall have no further rights or obligations hereunder with respect thereto; provided, however, that (i) subject to the terms of Section 7.1 above, the proceeds of any insurance attributable to such Merchandise shall constitute Proceeds hereunder, and (ii) the Guaranteed Amount shall be reduced to account for any Merchandise eliminated from the Sale which is not the subject of insurance proceeds, and Merchant shall reimburse Agent for the amount the Guaranteed Amount is so reduced in connection with the next weekly reconciliation pursuant to Section 3.7(a); provided, however, the removal of such merchandise from the Sale shall not affect the Merchandise Threshold. Merchant's obligation to reimburse Agent shall be deemed to be an overpayment and the obligation to reimburse same to Agent shall be secured by the Agent's Charge.

8.8. Merchant's Right to Monitor. In addition to Merchant's right to review Agent's books and records relating to the Sale under Section 3.7(b), Merchant shall have the right to monitor the Sale and activities attendant thereto and to be present in the Closing Stores during the hours when the Closing Stores are open for business; provided, however, that Merchant's presence does not unreasonably disrupt the conduct of the Sale. Merchant shall also have a right of access to the Closing Stores at any time in the event of an emergency situation and shall promptly notify Agent of such emergency.

Section 9. Employee Matters.

9.1. Merchant's Employees. Merchant shall make available and Agent may use Merchant's store level employees in the Closing Stores in the conduct of the Sale to the extent Agent deems expedient. Agent may recommend to Merchant the selection and scheduling of the

number and type of Merchant's employees to assist with the conduct of the Sale; provided, however, that Agent shall draw from Merchant's employees from the Closing Stores only, and not employees from any of the Town Shoes Stores. Merchant shall use commercially reasonable best efforts (which shall not include payment of any additional amounts above current employee compensation) to make all of Merchant's stores level employees at the Closing Stores available to Agent for the Sale. Agent shall assist Merchant in identifying any such store level employees in the Closing Stores to be used in connection with the Sale (each such employee, a "Retained Employee") prior to the Sale Commencement Date. Notwithstanding the foregoing, Merchant's employees shall at all times remain employees of Merchant and shall not be considered or deemed to be employees of Agent. Merchant and Agent agree that except to the extent that the amount of wages and benefits of Retained Employees constitute Expenses to be paid by Agent hereunder, nothing contained in this Agreement and none of Agent's actions taken in respect of the Sale shall be deemed to constitute an assumption by Agent of any of Merchant's obligations relating to any of Merchant's employees including, without limitation, Excluded Benefits, notice and other termination type claims and obligations, or any other amounts required to be paid by statute or law; nor shall Agent become liable under any employment agreement or be deemed a related, joint or successor employer with respect to any such employees. Agent shall comply in the conduct of the Sale with all of Merchant's employee rules, regulations, guidelines and policies which have been provided to Agent in writing. Merchant shall not, without the prior consent of Agent, raise the salary or wages or increase the benefits for, or pay any bonuses or other extraordinary payments to, any of the Retained Employees prior to the Sale Termination Date. If the number of Retained Employees made available to Agent pursuant to this Section 9.1 is insufficient to effectively run the Sale as determined by Agent in its sole discretion, Agent may request that Merchant engage additional temporary contract personnel on a per diem basis, and Merchant shall use reasonable commercial efforts to fulfill such request. If Merchant fails to facilitate the engagement of sufficient Retained Employees and temporary contract personnel as requested by Agent hereunder, Agent may engage such temporary personnel and all related costs and expenses shall constitute Expenses of Agent under this Agreement.

9.2 Termination of Employees By Merchant. All responsibility for hiring and firing of Retained Employees and the supervision of the conduct of the Retained Employees, other than supervision in connection with the conduct of the Sale in the Closing Stores, shall rest with Merchant. Agent may in its discretion stop using any Retained Employee at any time during the Sale. In the event Agent determines to discontinue its use of any Retained Employee in connection with the conduct of the Sale, Agent will provide written notice to Merchant at least seven (7) days prior thereto, except for discontinuance of use "for cause" (such as dishonesty, fraud or breach of employee duties), in which event no prior notice to Merchant shall be required, provided Agent shall notify Merchant as soon as practicable prior to such discontinuance of use so that Merchant can coordinate the termination of such Retained Employee and Agent shall provide Merchant with all supporting documents or information so that Merchant can arrange for the termination of such Retained Employee. From and after the date of this Agreement and until the Sale Termination Date, Merchant shall not transfer or terminate Retained Employees (except "for cause") without Agent's prior consent (which consent shall not be unreasonably withheld). Notwithstanding any other provision hereof, Agent will indemnify Merchant with respect to any claims by Retained Employees arising solely from

the mistreatment of such Retained Employees directly by Agent or an employee or contractor of Agent; provided, however, that nothing in this indemnity shall create or be deemed or construed to create any employment relationship between Agent and any Retained Employee. Agent shall not be under any obligations to supervise any of the Retained Employees except as set out in this Agreement, and provided further, that this indemnity shall not apply to and Agent shall not be a party responsible for, any workplace health and safety issues, whatsoever.

9.3 Payroll Matters. During the Sale Term, Merchant shall process and pay the Base Payroll, commissions, and all related payroll taxes, workers' compensation, employment and unemployment insurance, and benefits, including accruing vacation pay (but not arrears) for all Retained Employees to be reimbursed by Agent as per Section 4.1 hereof (except for employees and independent contractors hired by Agent) in accordance with its usual and customary procedures.

9.4 Employee Retention Bonuses. Agent shall have the right to elect to pay, as an Expense, retention bonuses (each a "Retention Bonus") (which bonuses shall be inclusive of payroll taxes but as to which no benefits shall be payable), up to a maximum aggregate amount equal to ~~_____~~ of aggregate Base Payroll, to certain Retained Employees who do not voluntarily leave employment and are not terminated "for cause". Subject only to the limitation of ~~_____~~ of aggregate Base Payroll, the actual amount of the Retention Bonus to be paid to any Retained Employee shall be in an amount to be determined by Agent, and shall be payable within thirty (30) days after the Sale Termination Date, and shall be processed through Merchant's payroll system. Agent shall provide Merchant with a copy of Agent's Retention Bonus plan at least one (1) Business Day prior to the Sale Commencement Date.

Section 10: Conditions Precedent.

The willingness of Merchant and Agent to enter into the transactions contemplated under this Agreement is directly conditioned upon the satisfaction of the following conditions at the time or during the time periods indicated, unless specifically waived in writing by the applicable party:

- (a) All representations and warranties of Merchant and Agent hereunder shall be true and correct in all material respects and no Event of Default shall have occurred at and as of the date hereof and as of the Sale Commencement Date; and
- (b) The Court shall have entered the Approval Order, in a form and substance acceptable to Merchant and Agent, acting reasonably, on or before May 10, 2012 or such later date as the parties may agree, and the Approval Order shall not have been stayed, varied, or vacated nor shall an application to restrain or prohibit the completion of the Sale be pending.

Section 11. Representations, Warranties, Covenants and Acknowledgements:

11.1 Merchant's Representations, Warranties and Covenants. Merchant hereby represents, warrants and covenants to Agent as follows:

- (a) Merchant (i) is a limited partnership duly established under the laws of the Province of Manitoba, and (ii) is and during the Sale Term will continue to be, duly authorized, and qualified to do business and in good standing in each jurisdiction where the nature of its business or properties requires such qualification, including all jurisdictions in which the Closing Stores are located, except, in each case, to the extent that the failure to be in good standing or so qualified could not reasonably be expected to have a material adverse effect on the ability of Merchant to execute and deliver this Agreement and perform fully its obligations hereunder. Sterling GP, in its capacity as general partner of Merchant, has all requisite corporate power and authority to own, lease and operate the assets and properties of Merchant and to carry on Merchant's business as presently conducted.
- (b) Subject to the entry of the Approval Order: (i) Sterling GP, in its capacity as general partner of Merchant, has the right, power and authority to execute and deliver this Agreement and each other document and agreement contemplated hereby (collectively, together with this Agreement, the "Agency Documents") and to perform the obligations of Merchant thereunder; (ii) all necessary action has been taken by or on behalf of Merchant to authorize the execution and delivery by Merchant of the Agency Documents and no further consent or approval is required for Merchant to enter into and deliver the Agency Documents, to perform the obligations thereunder, and to consummate the Sale; (iii) each of the Agency Documents has been duly executed and delivered by or on behalf of Merchant and constitutes the legal, valid and binding obligation of Merchant enforceable in accordance with its terms; and (iv) no court order or decree of any federal, state, local, or provincial governmental authority or regulatory body is in effect that would prevent or materially impair, or is required for Merchant's consummation of, the transactions contemplated by this Agreement, and no consent of any Third Party which has not been obtained is required therefor, other than as shall be obtained prior to the Sale Commencement Date, except for any such consent the failure of which to be obtained could not reasonably be expected to have a material adverse effect on the ability of Sterling GP, in its capacity as general partner of Merchant, to execute and deliver this Agreement and perform fully the obligations of Merchant hereunder. Other than for any consent as shall be obtained prior to the Sale Commencement Date, no contract or other agreement to which Merchant is a party or by which Merchant is otherwise bound will prevent or materially impair the consummation of the Sale and the other transactions contemplated by this Agreement.

- (c) Sterling GP, in its capacity as general partner of Merchant, owns, and will own at all times during the Sale Term, good and marketable title to all of the Merchandise and Owned FF&E to be included in the Sale, free and clear of all Encumbrances of any nature, other than the Encumbrances listed on Exhibit 11.1(c) and any applicable statutory liens. Merchant shall not create, incur, assume or suffer to exist any Encumbrance upon or with respect to any of the Merchandise or the Proceeds, in each case, except for the Agent's Charge and such Encumbrances as shall have been disclosed by Merchant to Agent and identified in Exhibit 11.1(c) and any applicable statutory liens).
- (d) Merchant has maintained its pricing files (including the Cost File) in the ordinary course of business and prices charged to the public for goods are the same in all material respects as set forth in such pricing files for the periods indicated therein (without consideration of any point of sale markdowns), and all pricing files and the Cost File and all records relating thereto are true and accurate in all material respects as to the actual cost recognized on Merchant's books and records for the goods referred to therein and as to the selling prices to the public for such goods, without consideration of any point of sale markdowns, as of the dates and for the periods indicated therein. Merchant represents that (i) the ticketed prices of all items of Merchandise do not and shall not include any Sales Taxes and (ii) all cash registers located at the Closing Stores are programmed to correctly compute all Sales Taxes required to be paid by the customer under applicable law, as such calculations have been identified to Merchant by its retained service provider.
- (e) Through the Sale Commencement Date, Merchant shall ticket or mark all items of inventory received at the Closing Stores prior to the Sale Commencement Date in a manner consistent with similar Merchandise located at the Closing Stores. To the extent Merchandise is not pre-ticketed prior to its receipt in the Closing Stores, Agent shall be responsible for ticketing Merchandise transferred from other Closing Stores pursuant to Section 2.4. The removal from such Merchandise of any sale stickers or other markings indicating items are on sale prior to the Sale Commencement Date, if any, will be done in the ordinary course of Merchant's business.
- (f) To the best of Merchant's knowledge, all Merchandise is in compliance with all applicable federal, state, provincial or local product safety laws, rules and standards. Merchant shall provide Agent with its historical policies and practices, if any, regarding product recalls prior to the Sale Commencement Date.
- (g) Subject to the provisions of the Approval Order, throughout the Sale Term, Agent shall have the right to, and Merchant shall provide to Agent, the unencumbered use, occupancy, and peaceful and quiet possession of, each of the Closing Stores, the assets currently located at the Closing Stores and the utilities and other services provided at the Closing Stores. Merchant shall, throughout the Sale Term, maintain in good working order, condition and repair all cash registers, heating systems, air conditioning systems, elevators, escalators and all other

mechanical devices necessary for the conduct of the Sale at the Closing Stores. Except any amounts owing as a result of the commencement of the CCAA Proceedings, and absent a bona fide dispute, throughout the Sale Term, Merchant shall remain current on all expenses and payables necessary for the conduct of the Sale (other than those relating to any period prior to the commencement of the CCAA Proceedings), subject to any restrictions that may be imposed under the CCAA.

- (h) Since April 1, 2012, Merchant has not marked up or raised the price of any items of Merchandise, or removed or altered any tickets or any indicia of clearance merchandise. No such Merchandise has been ticketed or marketed in contemplation of the Sale. Merchant has not and shall not purchase or transfer to the Closing Stores any merchandise or goods outside the ordinary course in anticipation of the Sale or of the Inventory Taking.
- (i) Except any amounts owing as a result of the commencement of the CCAA Proceedings, Merchant had paid, and will continue to pay throughout the Sale Term, all self-insured or Merchant-funded employee benefit programs for Closing Store employees, including health and medical benefits and insurance and all proper claims made or to be made in accordance with such programs (other than those relating to any period prior to the commencement of the CCAA Proceeding).
- (j) Other than the proceeding under the CCAA, no action, arbitration, suit, notice, or legal, administrative or other proceeding before any court or governmental body has been instituted by or against Merchant, or has been settled or resolved, or to Merchant's knowledge, is threatened against or affects Merchant, relative to Merchant's business or properties, or which questions the validity of this Agreement, or that if adversely determined, would adversely affect the conduct of the Sale, which is not otherwise stayed by the Initial Order.
- (k) Merchant has not taken, and shall not throughout the Sale Term take, any action, the result of which is to materially increase the cost of operating the Sale including, without limitation, increasing salaries, wages or other amounts payable to employees, except to the extent that an employee was due an annual raise.
- (l) Merchant is not party to any collective bargaining agreements with its employees at the Closing Stores and no labour unions represent Merchant's employees at the Closing Stores and as at the date of this Agreement, there are no strikes, work stoppages or other labour disruptions affecting the Closing Stores or Merchant's central office facilities.
- (m) except for wages and vacation pay accruing in the ordinary course, Merchant has satisfied any potential claims by the Merchant's employees pursuant to Section 81.3 and/or Section 81.4 of the *Bankruptcy and Insolvency Act* (Canada).

- (n) other than in the ordinary course of its business, Merchant has not (A) transferred inventory from previous closing stores into the Closing Stores; (B) transferred inventory out of the Closing Stores to any other stores of Merchant, including any of the Town Shoes Stores; and (C) no employees of Merchant has been transferred out of or into the Closing Stores as a result of the Town Shoes APA.
- (o) there is an existing and valid lease for each of the Closing Stores and the Merchant is party to and lessor under each of the leases.

11.2 Agent's Representations, Warranties and Covenants. Agent hereby represents, warrants and covenants in favor of Merchant as follows:

- (a) Agent is (i) a limited liability company, duly and validly existing and in good standing under the laws of the state of its organization; (ii) has all requisite power and authority to carry on its business as presently conducted in the jurisdictions where the Closing Stores are located and to consummate the transactions contemplated hereby and (iii) is and during the Sale Term will continue to be duly authorized and qualified to do business, and in good standing, in each jurisdiction where the nature of its business or properties requires such qualification.
- (b) Agent has the right, power and authority to execute and deliver each of the Agency Documents to which it is a party and to perform its obligations thereunder. Agent has taken all necessary actions required to authorize the execution, delivery, and performance by Agent of the Agency Documents, and no further consent or approval is required on the part of Agent for Agent to enter into and deliver the Agency Documents and to perform its obligations thereunder and to consummate the Sale. Each of the Agency Documents has been duly executed and delivered by Agent and constitutes the legal, valid and binding obligation of Agent enforceable in accordance with its terms. No court order or decree of any federal, provincial, state or local governmental authority or regulatory body is in effect that would prevent or impair, or is required for Agent's consummation of the transactions contemplated by this Agreement, and no consent of any Third Party which has not been obtained is required therefor other than as provided herein. No contract or other agreement to which Agent is a party or by which Agent is otherwise bound will prevent or impair the consummation of the transactions contemplated by this Agreement.
- (c) No action, arbitration, suit, notice, or legal administrative or other proceeding before any court or governmental body has been instituted by or against Agent, or has been settled or resolved, or to Agent's knowledge, has been threatened against or affects Agent, which questions the validity of this Agreement or any action taken or to be taken by Agent in connection with this Agreement, or which if adversely determined, would have a material adverse effect upon Agent's ability to perform its obligations under this Agreement.

- (d) The Sale shall be conducted in compliance with the terms of this Agreement, the Sales Guidelines and the Approval Order.

11.3 Agent's Acknowledgements.

- (a) Agent hereby acknowledges that prior to the execution of this Agreement, Merchant has provided Agent reasonable access to all pricing and cost files (including the Cost File), computer hardware, software and data files, inter-stores transfer logs, markdown schedules, invoices, style runs and all other documents relative to the price, mix and quantities of inventory located at the Closing Stores.
- (b) Agent hereby acknowledges that prior to the execution of the Agreement, and on the date immediately preceding the Inventory Date, Agent has had and shall have had the opportunity to inspect the Closing Stores and the Merchandise.

Section 12. Insurance.

12.1 Merchant's Liability Insurance. Merchant shall continue, at its expense, until the Sale Termination Date, in such amounts as it currently has in effect, all of its liability insurance policies including, but not limited to, products liability, comprehensive public liability, auto liability and umbrella liability insurance, covering injuries to persons and property in, or in connection with Merchant's operation of, the Closing Stores, and shall cause Agent to be named an additional named insured with respect to all such policies. Prior to the Sale Commencement Date, Merchant shall, on a best efforts basis, deliver to Agent certificates evidencing such insurance setting forth the duration thereof and naming Agent as an additional named insured, in form reasonably satisfactory to Agent. All such policies shall, on a best efforts basis, require at least thirty (30) days' prior notice to Agent of cancellation, non-renewal or material change. In the event of a claim under any such policies Merchant shall be responsible for the payment of all deductibles, retentions or self-insured amounts to the extent said claim arises from or relates to the alleged acts or omissions of Merchant or its employees, agents (other than Agent's employees), or independent contractors (other than Agent and independent contractors hired by Agent in conjunction with the Sale).

12.2 Merchant's Casualty Insurance. Merchant shall continue until the Sale Termination Date, in such amounts as it currently has in effect, fire, flood, theft and extended coverage casualty insurance covering the Merchandise in a total amount equal to no less than the Cost Value thereof, which coverage shall be reduced from time to time to take into account the sale of Merchandise. In the event of a loss to the Merchandise on or after the date of this Agreement, the proceeds of such insurance attributable to the Merchandise (net of any deductible to be paid by Merchant) shall constitute Proceeds. Prior to the Sale Commencement Date, Merchant shall, on a best efforts basis, deliver to Agent certificates evidencing such insurance setting forth the duration thereof and naming Agent as additional named insured, in form and substance reasonably satisfactory to Agent. All such policies shall, on a best efforts basis, require at least thirty (30) days' prior notice to Agent of cancellation, non-renewal or material change. Merchant shall not make any change in the amount of any deductibles or self-insurance amounts prior to the Sale Termination Date, without Agent's prior written consent.

12.3 Agent's Insurance. Agent shall maintain at Agent's cost and expense throughout the Sale Term, in such amounts as it currently has in effect, comprehensive public liability and automobile liability insurance policies covering injuries to persons and property in or in connection with Agent's agency at the Closing Stores and shall cause Merchant to be named an additional named insured with respect to such policies. Prior to the Sale Commencement Date, Agent shall deliver to Merchant certificates evidencing such insurance policies, setting forth the duration thereof and naming Merchant as an additional named insured, in form and substance reasonably satisfactory to Merchant. In the event of a claim under such policies Agent shall be responsible for the payment of all deductibles, retentions or self-insured amounts thereunder, to the extent said claim arises from or relates to the alleged acts or omissions of Agent or Agent's employees, agents or independent contractors.

12.4 Protection of Merchant Personal Information. Agent shall honour and observe, in connection with the transactions contemplated by this Agreement, Merchant's privacy policies and all applicable Privacy Laws with respect to the collection, use, transfer and disclosure of any personal information obtained in connection with this Agreement or the Sale, including personal information about Merchant's customers and the Retained Employees (the "Merchant Personal Information"). Agent shall collect Merchant Personal Information only for purposes related to this Agreement and the Sale. Agent shall not disclose Merchant Personal Information to any person other than to its advisors on a need to know basis. Agent shall protect and safeguard the Merchant Personal Information against unauthorized collection, use or disclosure, as provided by Privacy Law and Agent shall cause its representatives to observe the terms of this Section 12.4 and to protect and safeguard all Merchant Personal Information in their possession. If either Merchant or Agent terminates this Agreement as provided herein, Agent shall promptly deliver to Merchant all Merchant Personal Information in its possession or in the possession of any of its representatives, including all copies, reproductions, summaries or extracts thereof. "Privacy Law" shall include the *Personal Information Protection and Electronic Documents Act* (Canada), the *Freedom of Information and Protection of Privacy Act* (Canada) and any comparable law of any other province or territory of Canada.

12.5 Worker's Compensation Insurance. Merchant shall continue to pay until the Sale Termination Date appropriate workers' compensation insurance (including employer liability insurance) covering all Retained Employees in compliance with all statutory requirements. Prior to the Sale Commencement Date, Merchant shall deliver to Agent a certificate of its insurance broker or carrier evidencing such insurance.

12.6 Risk of Loss. Without limiting any other provision of this Agreement, Merchant acknowledges that Agent is conducting the Sale on behalf of Merchant solely in the capacity of an agent, and that in such capacity (i) Agent shall not be deemed to be in possession or control of the Closing Stores or the assets located therein or associated therewith, or of Merchant's employees located at the Closing Stores, and (ii) except as expressly provided in this Agreement, Agent does not assume any of Merchant's obligations or liabilities with respect to any of the foregoing. Agent shall not be deemed to be a successor employer. Merchant and Agent agree that, subject to the terms of this Agreement, Merchant shall bear all responsibility for liability claims of customers, employees and other persons arising from events occurring at the Closing

Stores during and after the Sale Term, except to the extent any such claim arises from the acts or omissions of Agent or its supervisors, agents, independent contractors, or employees (an "Agent Claim"). In the event of any liability claim other than an Agent Claim, Merchant shall administer such claim and shall present such claim to Merchant's liability insurance carrier in accordance with Merchant's policies and procedures existing immediately prior to the Sale Commencement Date, and shall provide a copy of the initial documentation relating to such claim to Agent at the address listed in this Agreement. To the extent that Merchant and Agent agree that a claim constitutes an Agent Claim or the parties cannot agree whether a claim constitutes an Agent Claim, each party shall present the claim to its own liability insurance carrier, and a copy of the initial claim documentation shall be delivered to the other party to the foregoing address.

Section 13: Indemnification.

13.1 Merchant Indemnification. Merchant shall indemnify and hold Agent and its officers, directors, employees, agents and independent contractors (collectively, "Agent Indemnified Parties") harmless from and against all claims, demands, penalties, losses, liability or damage, including, without limitation, reasonable legal fees and expenses, asserted directly or indirectly against an Agent Indemnified Party resulting from, or related to:

- (a) Merchant's material breach of or failure to comply with any local, state, provincial, or federal laws or regulations; or any of its agreements, covenants, representations and warranties contained in the Agency Documents;
- (b) any harassment, discrimination or violation of any laws or regulations or any other unlawful, tortious or otherwise actionable treatment of any customers, employees or agents of Agent by Merchant or any of its employees, agents, independent contractors or other officers, directors or representatives;
- (c) subject to Agent's performance and compliance with its obligations pursuant to section 4.1(b), 4.1(c) and Section 9 hereof, any failure by Merchant to pay its employees any wages, salaries or benefits due to such employees during the Sale Term or other claims asserted against Agent by Merchant's employees resulting from Merchant's (and not Agent's) treatment of its employees;
- (d) subject to Agent's compliance with its obligations under Section 8.3 hereof, any failure by Merchant to pay any Sales Taxes to the proper taxing authorities or to properly file with any taxing authorities any reports or documents required by applicable law to be filed in respect thereof;
- (e) the gross negligence or willful misconduct of Merchant or any of its officers, directors, employees, agents (other than Agent) or representatives;

- (f) violations of law by Merchant; provided, however, that Merchant shall not indemnify Agent from and against any claims, demands, penalties, losses, liability or damage, including, without limitation, reasonable legal fees and expenses arising from or contributed to by Agent's negligent or willful wrongful acts or omissions; and
- (g) any expense incurred by Agent due to any failure of Merchant to supply or obtain access to the central administrative services described in Section 4.2 hereof necessary for the Sale.

13.2 Agent Indemnification. Agent shall indemnify and hold Merchant and its officers, directors, employees, agents and representatives ("Merchant Indemnified Parties") harmless from and against all claims, demands, penalties, losses, liability or damage, including, without limitation, reasonable legal fees and expenses, asserted directly or indirectly against a Merchant Indemnified Party resulting from, or related to:

- (a) Agent's material breach of or failure to comply with any local, state, provincial or federal laws or regulations, or any of its agreements, covenants, representations or warranties contained in this Agreement or other Agency Document and any order of the Court relating to the Sale;
- (b) any harassment, discrimination, violation of any laws or regulations, or any other unlawful, tortious or otherwise actionable treatment of any customers, employees or agents of Merchant by Agent or any of its employees, agents, independent contractors or other officers, directors or representatives;
- (c) any claims by any party engaged by Agent as an employee or independent contractor arising out of such engagement;
- (d) any Agent Claims;
- (e) any Sales Tax assessments (and penalties and interest arising therefrom or in respect thereof) in the event that Agent uses any system other than Merchant's point of sale system to compute Sales Taxes relating to the Sale;
- (f) the gross negligence or willful misconduct of Agent or any of its officers, directors, employees, agents or representatives; and
- (g) violations of law by Agent; provided, however, that Agent shall not indemnify Merchant from and against any claims, demands, penalties, losses, liability or damage, including, without limitation, reasonable legal fees and expenses arising from or contributed to by Merchant's negligent or willful wrongful acts or omissions.

The foregoing indemnity is supplemental to and does not replace any of the other indemnities in this Agreement given by Agent, including, without limitation, the indemnities of Agent contained in Section 8.3 hereof.

Section 14: Fixtures.

- (a) With respect to Owned FF&E located in the Closing Stores, Agent shall have the exclusive right to dispose of all of the Owned FF&E located in the Closing Stores. Agent shall be entitled to receive (i) a commission equal to [REDACTED] (the "FF&E Commission") of the net proceeds from the sale of such Owned FF&E (net of Sales Taxes), plus (ii) reimbursement by Merchant of Agent's out of pocket expenses related to the disposition of the Owned FF&E which are not duplicative of the Expenses set out in Section 4.1 and are in accordance with a budget mutually agreed upon between Merchant and Agent. As of the Sale Termination Date, Agent may abandon, in place, in a neat and orderly manner any unsold Owned FF&E at the Closing Stores. The removal of any sold Owned FF&E shall be done in a manner consistent with the Sales Guidelines.
- (b) All gross proceeds from the disposition of the Owned FF&E at the Closing Stores (collectively, the "Gross FF&E Proceeds"), shall be deposited by Agent in the Designated Merchant Accounts for transfer to the Agency Accounts. From the Gross Sale Proceeds deposited into the Agency Accounts from time to time, Agent shall establish a holdback (the "FF&E Holdback") in the Agency Account in an amount equal to the Gross FF&E Proceeds, less the applicable FF&E Commission and applicable Sales Taxes subject to the Sales Tax Holdback in accordance with Section 3.8(b) hereof (being the "Net FF&E Proceeds"). Net FF&E Proceeds are to be remitted from the FF&E Holdback to Merchant pursuant to Section 3.4(c) hereof, as part of the weekly reconciliation conducted by the Parties pursuant to Section 3.7(a) of this Agreement.

Section 15: Events of Default. The following shall constitute "Events of Default" hereunder:

- (a) Merchant or Agent shall fail to perform any of their respective material obligations hereunder, if such failure remains uncured seven (7) days after receipt of written notice thereof;
- (b) Any representation or warranty made by Merchant or Agent proves untrue in any material respect as of the date made or at any time during the Sale Term, to the extent curable, continues uncured seven (7) days after written notice to the defaulting party; or
- (c) Subject to Section 8.7, the Sale is terminated or materially interrupted or impaired at any Closing Store for any reason other than (i) an Event of Default by Agent; or (ii) any other material breach or action by Agent not authorized under this Agreement.

In the event of an Event of Default, the non-defaulting Party in the case of an Event of Default under subsection (a) or (b) or Agent in the case of subsection (c) may, in its discretion, elect to terminate this Agreement upon seven (7) Business Days' written notice to the other Party and pursue any and all rights and remedies and damages resulting from such Event of Default hereunder.

Section 16. Miscellaneous.

16.1 Notices. All notices and communications provided for pursuant to this Agreement shall be in writing, and sent by hand, facsimile, electronic (PDF) transmission or courier delivery, as follows:

If to Agent:

GREAT AMERICAN GROUP, LLC

21860 Burbank Blvd, Suite 300

South Woodland Hills, CA

USA 91367

Attn.: Steven Smith,

President, Financial Operations

Tel: 818-746-9308

Fax: 818-746-9285

Email: ssmith@greatamerican.com

With a mandated copy (which shall not constitute notice) to:

MCMILLAN LLP

Attn: Sheryl Seigel/Christopher Garrah

Tel: 416.307.4063 /416.307.4211

Fax: 416.865.7048

Email: sheryl.seigel@mcmillan.ca/

christopher.garrah@mcmillan.ca

If to Merchant:

STERLING SHOES LIMITED PARTNERSHIP

2580 Viscount Way, Richmond, BC, V6V 1N1

Attn: Daniel Gumprich

Fax: 604.278.7751

Email: daniel@sterlingshoes.com

With a mandated copy (which shall not constitute notice) to:

BLAKE, CASSELS & GRAYDON LLP
595 Burrard Street
P.O. Box 49314
Suite 2600, Three Bentall Centre
Vancouver, BC V7X 1E3
Attn: Peter L. Rubin and Milly Chow
Tel: (604) 631-3315/416 863-2594
Fax: (604) 631-3309/416 863-2594
Email: peter.rubin@blakes.com/
milly.chow@blakes.com

16.2 Governing Law; Consent to Jurisdiction. This Agreement shall be governed and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein, without regard to conflicts of laws principles thereof. The parties hereto agree that the Court shall retain exclusive jurisdiction to hear and finally determine any disputes arising from or under this Agreement, and by execution of this Agreement each party hereby irrevocably accepts and submits to the jurisdiction of such Court with respect to any such action or proceeding and to service of process by certified mail, return receipt requested to the address listed above for each party.

16.3 Entire Agreement. This Agreement, together with the other Agency Documents, contain the entire agreement between the parties hereto with respect to the transactions contemplated hereby and supersede and cancel all prior agreements, including, but not limited to, all proposals, letters of intent or representations, written or oral, with respect thereto including, without limitation, the letter from Merchant dated April 25, 2012 requesting proposals and Agent's proposal submitted on April 26, 2012.

16.4 Amendments. This Agreement may not be modified except in a written instrument executed by each of the parties hereto.

16.5 No Waiver. No consent or waiver by any party, express or implied, to or of any breach or default by the other in the performance of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such other party of the same or any other obligation of such party. Failure on the part of any party to complain of any act or failure to act by the other party or to declare the other party in default, irrespective of how long such failure continues, shall not constitute a waiver by such party of its rights hereunder.

16.6 Successors and Assigns; Merchant's Authority. This Agreement shall inure to the benefit of and be binding upon Merchant and Agent, including, but not limited to, any trustee in bankruptcy or receiver or interim receiver thereof; provided, however, that this Agreement may not be assigned by Merchant or Agent without the prior written consent of the other. Notwithstanding anything to the contrary herein, to the extent that Merchant sells Merchant's Business and/or assigns or otherwise transfers its right, title and interest in and under any of the

leases for any of the Closing Stores, any such assignment or transfer shall be subject to the terms of this Agreement and shall contain an express provision that such assignee or transferee shall not interfere with Agent's conduct of the Sale and/or rights to occupy the Closing Stores as provided herein.

16.7 Subcontractors. Agent may utilize the services of subcontractors and/or licensees in connection with the performance of its obligations hereunder.

16.8 Confidentiality. The terms of this Agreement shall be confidential, except for disclosures which may be required by law or as Merchant considers appropriate, acting reasonably and in consultation with Agent, in connection with obtaining the Approval Order. Agent acknowledges and agrees that in connection with Merchant's application for the Approval Order, Merchant will file a copy of this Agreement with the pricing information redacted and without Exhibits 3.1(g), 3.1(h), 3.4(h), 4.1(a), 4.3(a) and 5.2(c) to this Agreement and will seek an order sealing an unredacted copy of this Agreement, including such Exhibits to the extent the Court requires such documents to be filed with the Court.

16.9 Execution in Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original and all of which together shall constitute but one agreement. This Agreement may be executed by facsimile or other electronic transmission, and such facsimile or electronic signature shall be treated as an original signature hereunder.

16.10 Section Headings. The headings of sections of this Agreement are inserted for convenience only and shall not be considered for the purpose of determining the meaning or legal effect of any provisions hereof.

16.11 Survival. All representations, warranties, covenants, agreements and indemnities made herein, by the parties hereto, shall be continuing, shall be considered to have been relied upon by the parties and shall survive the execution, delivery and performance of this Agreement.

16.12 Termination. This Agreement shall remain in full force and effect until the expiration of the Sale Term and completion and certification by Merchant and Agent of the Final Reconciliation pursuant to Section 3.7 above, or such earlier termination pursuant to Article 15 of this Agreement. Notwithstanding the foregoing, (a) the representations, warranties and indemnities of Merchant and Agent contained herein and the provisions of Section 11 and Section 13 above, and (b) any claim arising from a breach of this Agreement prior to its termination, shall survive the termination of this Agreement pursuant to this Section 16.12.

[SIGNATURES NEXT PAGE]

IN WITNESS WHEREOF, Agent and Merchant have executed this Agreement as of the day and year first written above.

GREAT AMERICAN GROUP, LLC

By: Harvey M. Yellen
Name: Harvey M. Yellen
Title: Vice-Chair

STERLING SHOES LIMITED
PARTNERSHIP, by its general partner
STERLING SHOES GP INC.

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, Agent and Merchant have executed this Agreement as of the day and year first written above.

GREAT AMERICAN GROUP, LLC

By _____
Name:
Title:

STERLING SHOES LIMITED
PARTNERSHIP, by its general partner
STERLING SHOES GP INC.

By 
Name: DAVE ALVES
Title: PRESIDENT AND CEO

EXHIBIT 1A
LIST OF CLOSING STORES
(Attached)

Sterling Shoes
Store List
Exhibit 1A

Str	Phone	Name/Mail	Address	City	ST	Zip	Selling S.F.
4	604-944-0376	Sunwood Square	Unit 980 - 3025 Lougheed Hwy.	Coquitlam	BC	V3B 6S2	4,950
6	604-430-8073	Metrotown	Unit 242 - 4800 Kingsway	Burnaby	BC	V5H 4J2	2,330
9	604-515-9922	King Edward St.	Unit C - 15 King Edward Street	Coquitlam	BC	V3K 4S8	4,443
25	604-279-2022	Richmond	Unit 1912 - 6551 No. 3 Road	Richmond	BC	V6Y 2B6	956
31	250-370-2237	Hillside	Unit 55 - 1644 Hillside Avenue	Victoria	BC	V8T 2C5	941
35	250-383-9989	The Bay	Unit 276 - 1150 Douglas Street	Victoria	BC	V8W 3M9	897
36	250-390-0174	Woodgrove	Unit 113 - 8631 Island Highway, N.	Nanaimo	BC	V8T 4T7	837
38	250-478-1108	Westshore Town	Unit 111 - 2545 Jackson Road	Victoria	BC	V8B 5E3	3,008
54	604-555-3411	Guildford Town	Unit 2383 - 2695 Guildford Town Center	Surrey	BC	V3R 7B9	1,506
56	604-995-3475	Capilano	Unit 49 - 935 Marine Drive	N. Vancouver	BC	V7P 1S3	942
68	780-475-6348	North Town	9322-137th Ave	Edmonton	AB	T5E 6C2	3,000
77	403-271-2722	South Centre	Unit 152 - 100 Anderson Road S.	Calgary	AB	T2J 3V1	1,344
78	403-288-9229	Gaetz Avenue Cross	Unit 20C - 5250 22nd Street	Red Deer	AB	T4R 2T4	4,491
84	403-590-0609	Sunnidge	Unit 258 - 2525 36 Street N.E.	Calgary	AB	T1Y 5T4	811
85	780-449-4910	Shenwood Park	Unit 204 - #2020 Sherwood Dr.	Sherwood Park	AB	T8A 5H9	3,029
95	204-257-8168	St. Vital	Unit 96 - 1225 St. Mary's Road	Winnipeg	MB	R2M 5E5	874
99	204-943-2821	Portage Place	Unit #145, 393 Portage Ave.	Winnipeg	MB	R3B 3H6	1,074
103	250-383-8473	The Bay	Unit 325A - 1150 Douglas Street	Victoria	BC	V8W 3M9	3,283
106	604-504-5322	Gladwin Crossing	Unit# C3 - 2777 Gladwin Road	Abbotsford	BC	V2T 4V1	3,056
115	250-561-9323	Pine	Unit 192 - 3055 Massey Drive	Prince George	BC	V2N 2S9	1,233
116	778-294-0995	Grandview Corners	Unit 30, 2438 160th Street	Surrey	BC	V3S 0C3	1,399
117	778-264-4255	Grandview Corners	Unit 30, 2411 160th Street	Surrey	BC	V3S 0C3	3,795
121	403-452-7278	Marlborough	Unit 72 - 3800 Memorial Dr NE	Calgary	AB	T2A 2K2	3,506
122	250-452-9242	Westbank	Unit 102 - 2310 Louie Drive	Westbank	BC	V4T 1Y2	3,000
125	306-525-5544	Cornwall	Unit JT09C, 2102 11th Ave	Regina	SK	S4P 3Y6	872
126	250-275-1375	Village Green	CRU 134, 4900 27th Street	Vernon	BC	V1T 7G7	1,193
141	604-588-0645	Metrotown	Unit M127A - 4820 Kingsway	Burnaby	BC	V5H 4P1	2,221
145	604-012-0190	Park Royal	Unit 783 - 777 Park Royal North	W. Vancouver	BC	V7T 1H9	2,076
170	605-634-8833	Burlington	Unit 82A - 777 Guelph Line	Burlington	ON	L7R 3N2	3,153
188	605-732-9359	Seaway	Unit #J5 - 500 Niagara Street North	Welland	ON	L3C 5Z4	2,903
189	613-834-1582	Place D'Orleans	Unit 485 110 Place D'Orleans Drive	Orleans	ON	K1C 2L9	2,929
191	905-453-6469	Hwy 410 @ 7	Unit #2, 150 West Drive	Brampton	ON	L6T 4P9	3,867
192	416-466-2079	Gerrard Square	Unit DD4-1000 Gerrard St. East	Toronto	ON	M4M 3G3	2,884
55	604-421-0732	Lougheed Mall	Unit 254 - 6855 Austin Road	Burnaby	BC	V3J 1N4	1,689
79	250-554-6704	Northills	Unit #54 - 700 Tranquille Rd	Kamloops	BC	V2B 3H9	8,000
114	250-286-6538	Marina Square	Unit #250, 1400 Dogwood St	Campbell River	BC	V9W 3A5	3,000

EXHIBIT 3.1(g)
GUARANTY PERCENTAGE ADJUSTMENT
(Attached)

EXHIBIT 3.1(h)
MARK UP PERCENTAGE
(Attached)

EXHIBIT 3.3(a)

MERCHANT'S WIRE TRANSFER PARTICULARS

Canadian dollars [REDACTED]

Swift Code: [REDACTED]

Transit number: [REDACTED]

Institution Number: [REDACTED]

Bank: Bank of Montreal

Bank Address: 595 Burrard St, Vancouver BC V7X 1L7

Account Name: Sterling Shoes Limited Partnership

Address: 2580 Viscount Way, Richmond, B.C. V6V 1N1

EXHIBIT 3.4(h)
FORM OF GUARANTY LETTER OF CREDIT
(Attached)

EXHIBIT 3.4(a)
INVENTORY TAKING INSTRUCTIONS

Merchant and Agent shall jointly employ RGIS Canada or another mutually acceptable inventory taking service (the "Inventory Taking Service") to conduct the Inventory Taking.

Between May 14, 2012 and May 18, 2012, Merchant and Agent shall cause to be taken a SKU physical inventory (the "Inventory Taking") of the Merchandise located in the Closing Stores. (The date of the Inventory Taking at each Closing Store shall be referred to as the "Inventory Date" for such Closing Store).

The Inventory Taking will be conducted during or after regular business hours, resulting in minimal or no disruption to the sale process and customer experience.

Merchant, Agent, Monitor and Lender may each have representatives present during the Inventory Taking and each shall have the right to review and verify the listing and tabulation of the Inventory Taking. A schedule of dates and times for the Inventory Taking at each Closing Store will be prepared by Agent, in consultation with Merchant. The Inventory Taking will proceed at the scheduled date and time, subject only to the presence of the RGIS personnel conducting the Inventory Taking, regardless of the attendance or absence of any other party.

Merchant and Agent agree that until the Inventory Taking is completed in each of the Closing Stores, neither Merchant nor Agent shall, other than with respect to sales of Merchandise in the ordinary course as part of the Sale at the Closing Stores, transfer any Merchandise to or from any of Closing Stores, so as to make any such items unavailable for counting as part of the Inventory Taking, and/or remove any hang tags, price tickets or inventory control tags affixed to any Merchandise.

Merchant and Agent agree to cooperate with each other to conduct the Inventory Taking commencing at the scheduled time. Merchant and Agent agree that they will, and agree to cause their respective representatives to, cooperate and assist in the preparation and calculation of the aggregate Cost Value of the Merchandise included in the Sale, including, without limitation, making available, to the extent necessary books, records, work papers and personnel.

The Inventory Taking, including, but not limited to, the determination of the aggregate Cost Value of the Merchandise, shall be reconciled by Merchant and Agent within twelve (12) days after its completion, and Agent and Merchant shall use their reasonable best efforts to accomplish such reconciliation within such twelve (12) day period.

The final certified inventory report shall be completed not later than thirty (30) days after the Sale Commencement Date.

EXHIBIT 4.1(a)
OCCUPANCY EXPENSES
(Attached)

EXHIBIT 4.3(a)
FORM OF EXPENSE L/C
(Attached)

EXHIBIT 5.2(C)

EXCLUDED PRICING DISCOUNTS AND ADJUSTMENTS

(Attached)

EXHIBIT 8.1
SALES GUIDELINES
(Attached)

EXHIBIT 8.1

SALES GUIDELINES

The following procedures shall apply to any sale of inventory, assets or other property, other than real estate property leases, (collectively, the "Merchandise") in connection with a liquidation sale (the "Sale") to be held by Sterling Shoes Limited Partnership (the "Merchant"), with the assistance of its agent, Great American Group, LLC (the "Agent"), at the stores set out in Schedule "A" (the "Closing Stores"), such Sale to commence on or after May 10, 2012 and to end by no later than July 31, 2012 or such later date as the applicable Landlord (as defined below) may agree or as may be ordered by further order of the Court (as defined below):

1. Except as otherwise expressly provided herein, and subject to: (i) an Order of the British Columbia Supreme Court (the "Court"); or (ii) any written agreement between the Merchant and any applicable landlord (individually a "Landlord" and, collectively, the "Landlords"), the Sale shall be conducted in accordance with the terms of the applicable lease for the Merchant (individually a "Lease" and, collectively, the "Leases"). However, nothing contained herein shall be construed to create or impose upon the Merchant any additional restrictions not contained in the applicable Lease or other occupancy agreement.
2. The Sale shall be conducted so that the Closing Stores remain open during normal hours of operation provided for in the respective Leases or other occupancy agreements for the Closing Stores.
3. The Sale shall be conducted in accordance with applicable federal, provincial and municipal laws, unless otherwise ordered by the Court.
4. All display and hanging signs used by the Merchant and the Agent in connection with the Sale shall be professionally produced and all hanging signs shall be hung in a professional manner. The Merchant and the Agent may advertise the Sale as a "store closing", "sale on everything" or "everything must go" or similar theme sale at the Closing Stores (save that no signs shall advertise the Sale as a "bankruptcy", "going out of business", "liquidation" or "court ordered" sale). Not less than 48 hours prior to the commencement of the Sale, the Merchant and the Agent shall provide proposed signage packages by e-mail or facsimile to the applicable Landlords or to their counsel of record and the applicable Landlords shall, prior to the commencement of the Sale, notify the Merchant and Agent of any requirement for such signage to otherwise comply with the terms of the Leases and/or these Sales Guidelines and where the provisions of the Leases conflict with these Sales Guidelines, these Sales Guidelines shall govern. Attached as Schedule "B" are examples of the proposed signage packages. The Merchant and the Agent shall not use neon, day-glo signage or handwritten signs. Furthermore, except as

set out below, with respect to enclosed mall locations no exterior signs or signs in common areas of a mall shall be used unless permitted by the applicable Lease. In addition, the Merchant and the Agent shall be permitted to utilize exterior banners at non-enclosed mall Closing Stores; provided, however, where such banners are not permitted by the applicable Lease and the Landlord requests in writing that banners not be used, no banners shall be used. Any banners used shall be located or hung so as to make clear that the Sale is being conducted only at the affected Closing Store and shall not be wider than the premises occupied by the Closing Store. All permitted exterior banners shall be professionally hung and to the extent that there is any damage to the façade of the premises of a Closing Store as a result of the hanging or removal of the exterior banner, such damage shall be professionally repaired at the expense of the Merchant.

5. The Merchant and the Agent shall be permitted to utilize sign walkers and street signage; provided, however, such sign walkers and street signage shall not be located on the shopping centre/mall premises.
6. Conspicuous signs shall be posted in the cash register areas of each Closing Store to the effect that all sales are "final" (and the same shall be printed or stamped on customer receipts), the sales are on an "as is, where is" basis and that customers with any questions or complaints subsequent to the conclusion of the Sale may contact a named representative of the Merchant at a specified email address.
7. The Merchant and the Agent shall not distribute handbills, leaflets or other written materials to customers outside of any of the Closing Stores, unless permitted by the applicable Lease or, if distribution is customary in the shopping centre in which the Closing Store is located. Otherwise, the Merchant and the Agent may solicit customers in the Closing Stores themselves. The Merchant and the Agent shall not use any giant balloons, flashing lights or amplified sound to advertise the Sale or solicit customers, except as permitted under the applicable Lease or agreed to by the Landlord.
8. At the conclusion of the Sale, the Merchant and the Agent shall vacate the Closing Stores in "broom swept" condition, and shall otherwise leave the Closing Stores in the same condition as on the commencement of the Sale, ordinary wear and tear excepted; provided, however, that the Merchant and the Agent shall be authorized to leave any FF&E (as the term is defined herein and in accordance with this paragraph) in the Closing Stores; provided, further, that the Merchant hereby does not undertake any greater obligation than as set forth in an applicable Lease with respect to the Closing Store. The Merchant and the Agent may abandon any furniture, fixtures and equipment ("FF&E") not sold in the Sale at the Closing Stores' premises at the conclusion of the Sale. Any FF&E left in a Closing Store after a Lease is repudiated, terminated or disclaimed shall be deemed abandoned with the Landlord having the right to dispose of the same as the Landlord chooses without any liability whatsoever on the part of the Landlord. No permanent or built-in fixtures may be removed without the Landlord's written consent unless otherwise provided by the applicable Lease. No property of any Landlord of a Closing Store shall be removed or sold during the Sale.

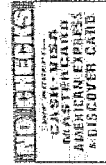
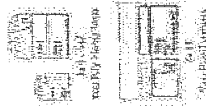
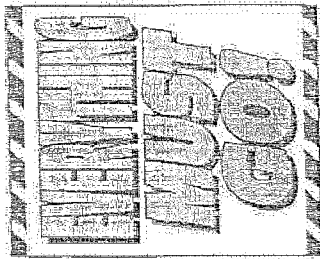
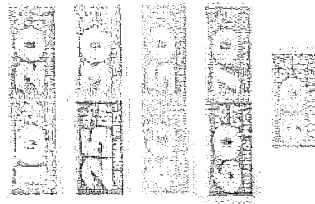
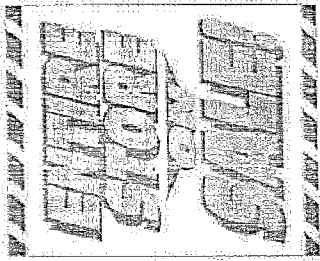
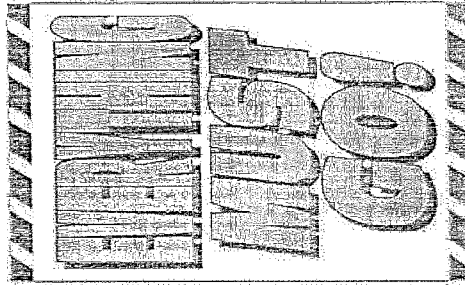
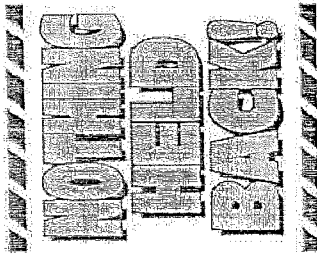
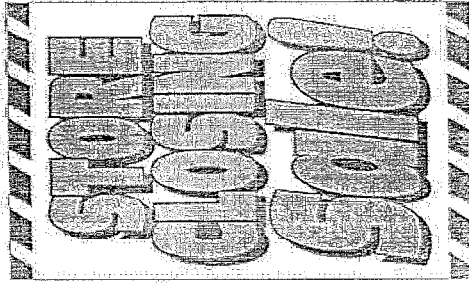
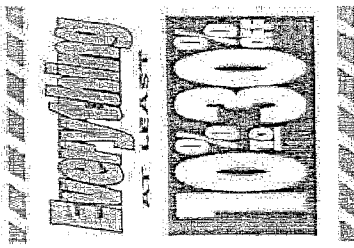
9. The Merchant and the Agent may sell FF&E owned by the Merchant and located in the Closing Stores during the Sale. The Merchant and the Agent may advertise the sale of FF&E consistent with these guidelines on the understanding that the Landlord may reasonably require such signs to be placed in discreet locations within the Closing Store acceptable to the Landlord. Additionally, FF&E to be removed from the Closing Store shall only be removed either through the back shipping areas or through other areas after store business hours, with Landlord's supervision as required by the Landlord. The Merchant shall repair any damage resulting from the removal of any FF&E.
10. The Merchant and the Agent shall not make any alterations to interior or exterior Closing Store lighting. No property of any Landlord of a Closing Store shall be removed or sold during the Sale. The hanging of permitted exterior banners or other signage shall not constitute an alteration to a Closing Store.
11. The Agent and its agents and representatives shall have the same access rights to the Closing Stores as the Merchant under the terms of the applicable Lease, and the Landlord shall have the rights of access to the Closing Stores during the Sale provided for in the applicable Lease, subject, for greater certainty, to the stay of proceedings set out in the Initial Order.
12. The Merchant and the Agent shall not conduct any auctions of the Merchandise or FF&E at any of the Closing Stores. Subject to any agreement between the Merchant and a Landlord, the Merchant and the Agent shall not augment the Merchandise included in the Sale; provided, however, that the Merchant is expressly permitted to transfer Merchandise between and among the Closing Stores during the Sale.
13. The Merchant shall designate a party to be contacted by the Landlords should an issue arise concerning the conduct of the Sale. The initial contact person for the Merchant shall be Scot Sheeler at scot.sheeler@sterlingshoes.com or at business phone number (647) 213-0091. If the parties are unable to resolve the dispute between themselves, the Landlord or Merchant shall have the right to schedule a "status hearing" before the Court on no less than two (2) days written notice to the other party or parties, during which time the Merchant shall cease all activity in dispute pending the determination of the matter by the Court.
14. Nothing herein is, or shall be deemed to be, consent by any Landlord to the sale, assignment or transfer of any Lease or grant to the Landlord any greater rights than already exist under the terms of any applicable Lease.

SCHEDULE "A"

Sterling Shoes Store List

Str.	Phone	Name/Mall	Address	City	ST	Zip	Selling S.F.
4	604-944-0676	Sunwood Square	Unit 980 - 3025 Lougheed Hwy.	Coquitlam	BC	V3B 6S2	4,059
8	604-430-6073	Metrotown	Unit 242 - 4800 Kingsway	Burnaby	BC	V5H 4J2	2,330
9	604-515-9922	King Edward St	Unit C - 15 King Edward Street	Coquitlam	BC	V3K 4S8	4,443
28	604-279-2022	Richmond	Unit 1912 - 6551 No. 3 Road	Richmond	BC	V6Y 2B5	958
31	250-370-2267	Hillside	Unit 55 - 1644 Hillside Avenue	Victoria	BC	V8T 2C5	941
35	250-383-6689	The Bay	Unit 226 - 1150 Douglas Street	Victoria	BC	V3W 3M9	867
36	250-390-0174	Woodgrove	Unit 113 - 8631 Island Highway N.	Nanaimo	BC	V9T 4T7	537
38	250-478-1108	Westshore Towne	Unit 111 - 2945 Jacklin Road	Victoria	BC	V8B 5E3	3,009
54	604-585-3411	Guildford Town	Unit 2383 - 2895 Guildford Town Center	Surrey	BC	V3R 7B9	1,506
56	604-985-3475	Capilano	Unit 49 - 935 Marine Drive	N. Vancouver	BC	V7P 1S3	642
68	780-476-6348	North Town	9322 137th Ave	Edmonton	AB	T9E 6C2	3,000
77	403-271-2722	South Centre	Unit 152 - 100 Anderson Road S.	Calgary	AB	T2J 3V1	1,344
78	403-309-9229	Gastz Avenue Cross	Unit 306 - 5250 22nd Street	Red Deer	AB	T4R 2T4	4,491
84	403-590-0809	Sunridge	Unit 256 - 2525 35 Street N.E.	Calgary	AB	T1Y 5T4	611
85	780-449-4910	Sherwood Park	Unit 204 - 42926 Sherwood Dr	Sherwood Park	AB	T8A 3H9	3,029
95	204-257-8168	St. Vital	Unit 95 - 1225 St. Mary's Road	Winnipeg	MB	R2M 5E5	874
99	204-943-2821	Portage Place	Unit #145 - 593 Portage Ave.	Winnipeg	MB	R3B 3H8	1,074
103	250-383-8479	The Bay	Unit 325A - 1190 Douglas Street	Victoria	BC	V8W 3M9	3,283
106	604-504-5322	Gladwin Crossing	Unit #C3 - 2777 Gladwin Road	Abbotsford	BC	V2T 4V1	3,966
115	250-551-9323	Pine	Unit 192 - 3055 Massey Drive	Prince George	BC	V2N 2S9	1,233
116	778-294-0995	Grandview Corners	Unit 30 - 2438 160th Street	Surrey	BC	V3S 0C8	1,399
117	778-294-4255	Grandview Corners	Unit 39 - 2911 168th Street	Surrey	BC	V3S 0C8	9,795
121	493-452-7276	Marlborough	Unit 72 - 3500 Memorial Dr NE	Calgary	AB	T2A 2K2	3,506
122	250-452-9242	Westbank	Unit 192 - 2310 Louie Drive	Westbank	BC	V4T 1Y2	3,000
125	306-525-5544	Cornwall	Unit TT09C - 2102 11th Ave	Regina	SK	S4P 3Y6	872
126	250-275-1375	Village Green	CRU 134 - 4900 27th Street	Vernon	BC	V1T 7G7	1,193
141	604-588-9045	Metrotown	Unit M127A - 4820 Kingsway	Burnaby	BC	V5H 4P1	2,221
145	604-912-0190	Park Royal	Unit 753 - 777 Park Royal North	W. Vancouver	BC	V7T 1H9	2,078
170	905-534-9238	Burlington	Unit B2A - 777 Guelph Line	Burlington	ON	L7R 3N2	3,355
188	905-732-5359	Seaway	Unit #16 - 800 Niagara Street North	Welland	ON	L3C 5Z4	2,903
189	513-834-4562	Place D'Orleans	Unit 485 110 Place D'Orleans Drive	Orleans	ON	K1C2L9	2,929
191	905-453-6469	Hwy 410 @ 7	Unit #2 - 150 West Drive	Brampton	ON	L6T 4P9	3,667
192	416-455-2979	Gerrard Square	Unit DD4 - 1090 Gerrard St. East	Toronto	ON	M4M 3G8	2,384
55	604-421-0732	Lougheed Mall	Unit 254 - 9955 Austin Road	Burnaby	BC	V3J 1N4	1,059
79	250-554-6704	Northhills	Unit #54 - 700 Tranquille Rd	Kamloops	BC	V2B 3H9	6,000
114	250-288-6538	Marina Square	Unit #250 - 1400 Dogwood St	Campbell River	BC	V9W 5A5	3,090

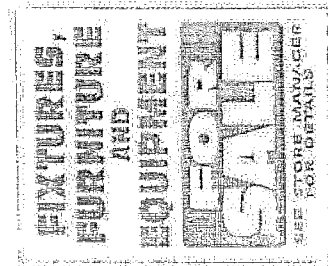
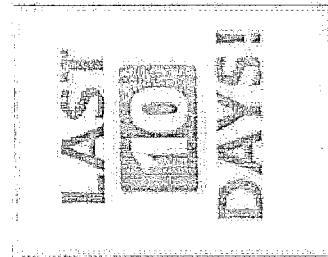
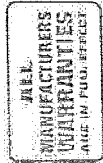
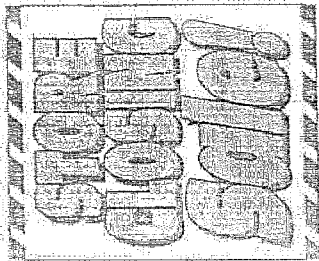
SCHEDULE "B"



1/4" x 2 1/2" Policy Sign

10% OFF	20% OFF	30% OFF
40% OFF	50% OFF	60% OFF
70% OFF	80% OFF	90% OFF

7x11 Percent Charts



JUMBO	
ORIGINAL PRICE	
RACK TOPPERS 7X11 original price V	
10%	50
20%	50
25%	50
30%	50
40%	50
50%	50
60%	25
70%	25
80%	25
90%	25
% CHARTS 7X11	
10%	6
20%	6
25%	6
30%	6
40%	6
50%	6
60%	6
70%	5
80%	6
90%	6
28X40 D/F	
EVERYTHING AT LEAST 10%-30% OFF	4
NUMBER OVERLAYS	1/2
ORIGINAL PRICE OVERLAYS	8
UP TO	6
22X28 D/F	
STORE CLOSING	6
EVERYTHING MUST GO	3
ENTIRE STORE ON SALE	3
NOTHING HELD BACK	1
LAST 10 DAYS W/OVERLAYS	2
FIXTURES	3
HARDWARE	
12" WIRE	50
CLIPS	50
POLICY	
ALL SALES FINAL	6
NO CHECKS (c-v-m-c-d-ae)	6
WARRANTIES	6
DO NOT OPEN CARTONS	6
SALE HOURS	2
BLANK BURST	50
% BURST	25
YOU PAYS	
2"X3" TAGS	100
3"X4" TAGS	300
6"X7" TAGS	200
7"X11"	100
36X60 S/F	
STORE CLOSING	4
EVERYTHING MUST GO	2
ENTIRE STORE ON SALE	1
EVERYTHING ON SALE (PUSH PIN)	1
STORE CLOSING (PUSH PIN)	1

EXHIBIT 11.1(c)

ENCUMBRANCES ON OWNED FF&E

1. Lender Security, Administration Charge and Directors' Charge, each as defined and as set out in the Initial Order
2. KEIP Charge as defined and set out in the December 9 Order

This is **Exhibit "B"** referred to in the affidavit of
Daniel Gumprich affirmed before me at
Vancouver, BC this 3rd day of May 2012.



A Commissioner for taking Affidavits
for British Columbia

EXHIBIT 8.1

SALES GUIDELINES

The following procedures shall apply to any sale of inventory, assets or other property, other than real estate property leases, (collectively, the "**Merchandise**") in connection with a liquidation sale (the "**Sale**") to be held by Sterling Shoes Limited Partnership (the "**Merchant**") with the assistance of its agent, **Great American Group, LLC** (the "**Agent**"), at the stores set out in **Schedule "A"** (the "**Closing Stores**"), such Sale to commence on or after May 10, 2012 and to end by no later than July 31, 2012 or such later date as the applicable Landlord (as defined below) may agree or as may be ordered by further order the Court (as defined below):

1. Except as otherwise expressly provided herein, and subject to: (i) an Order of the British Columbia Supreme Court (the "**Court**"); or (ii) any written agreement between the Merchant and any applicable landlord (individually a "**Landlord**" and, collectively, the "**Landlords**"), the Sale shall be conducted in accordance with the terms of the applicable lease for the Merchant (individually a "**Lease**" and, collectively, the "**Leases**"). However, nothing contained herein shall be construed to create or impose upon the Merchant any additional restrictions not contained in the applicable Lease or other occupancy agreement.
2. The Sale shall be conducted so that the Closing Stores remain open during normal hours of operation provided for in the respective Leases or other occupancy agreements for the Closing Stores.
3. The Sale shall be conducted in accordance with applicable federal, provincial and municipal laws, unless otherwise ordered by the Court.
4. All display and hanging signs used by the Merchant and the Agent in connection with the Sale shall be professionally produced and all hanging signs shall be hung in a professional manner. The Merchant and the Agent may advertise the Sale as a "store closing", "sale on everything" or "everything must go" or similar theme sale at the Closing Stores (save that no signs shall advertise the Sale as a "bankruptcy", "going out of business", "liquidation" or "court ordered" sale). Not less than 48 hours prior to the commencement of the Sale, the Merchant and the Agent shall provide proposed signage packages by e-mail or facsimile to the applicable Landlords or to their counsel of record and the applicable Landlords shall, prior to the commencement of the Sale, notify the Merchant and Agent of any requirement for such signage to otherwise comply with the terms of the Leases and/or these Sales Guidelines and where the provisions of the Leases conflict with these Sales Guidelines, these Sales Guidelines shall govern. Attached as **Schedule "B"** are examples of the proposed signage packages. The Merchant and the Agent shall not use neon, day-glo signage or handwritten signs. Furthermore, except as

set out below, with respect to enclosed mall locations no exterior signs or signs in common areas of a mall shall be used unless permitted by the applicable Lease. In addition, the Merchant and the Agent shall be permitted to utilize exterior banners at non-enclosed mall Closing Stores; provided, however, where such banners are not permitted by the applicable Lease and the Landlord requests in writing that banners not be used, no banners shall be used. Any banners used shall be located or hung so as to make clear that the Sale is being conducted only at the affected Closing Store and shall not be wider than the premises occupied by the Closing Store. All permitted exterior banners shall be professionally hung and to the extent that there is any damage to the façade of the premises of a Closing Store as a result of the hanging or removal of the exterior banner, such damage shall be professionally repaired at the expense of the Merchant.

5. The Merchant and the Agent shall be permitted to utilize sign walkers and street signage; provided, however, such sign walkers and street signage shall not be located on the shopping centre/mall premises.
6. Conspicuous signs shall be posted in the cash register areas of each Closing Store to the effect that all sales are "final" (and the same shall be printed or stamped on customer receipts), the sales are on an "as is, where is" basis and that customers with any questions or complaints subsequent to the conclusion of the Sale may contact a named representative of the Merchant at a specified email address.
7. The Merchant and the Agent shall not distribute handbills, leaflets or other written materials to customers outside of any of the Closing Stores, unless permitted by the applicable Lease or, if distribution is customary in the shopping centre in which the Closing Store is located. Otherwise, the Merchant and the Agent may solicit customers in the Closing Stores themselves. The Merchant and the Agent shall not use any giant balloons, flashing lights or amplified sound to advertise the Sale or solicit customers, except as permitted under the applicable Lease or agreed to by the Landlord.
8. At the conclusion of the Sale, the Merchant and the Agent shall vacate the Closing Stores in "broom swept" condition, and shall otherwise leave the Closing Stores in the same condition as on the commencement of the Sale, ordinary wear and tear excepted; provided, however, that the Merchant and the Agent shall be authorized to leave any FF&E (as the term is defined herein and in accordance with this paragraph) in the Closing Stores; provided, further, that the Merchant hereby does not undertake any greater obligation than as set forth in an applicable Lease with respect to the Closing Store. The Merchant and the Agent may abandon any furniture, fixtures and equipment ("FF&E") not sold in the Sale at the Closing Stores' premises at the conclusion of the Sale. Any FF&E left in a Closing Store after a Lease is repudiated, terminated or disclaimed shall be deemed abandoned with the Landlord having the right to dispose of the same as the Landlord chooses without any liability whatsoever on the part of the Landlord. No permanent or built-in fixtures may be removed without the Landlord's written consent unless otherwise provided by the applicable Lease. No property of any Landlord of a Closing Store shall be removed or sold during the Sale.

9. The Merchant and the Agent may sell FF&E owned by the Merchant and located in the Closing Stores during the Sale. The Merchant and the Agent may advertise the sale of FF&E consistent with these guidelines on the understanding that the Landlord may reasonably require such signs to be placed in discreet locations within the Closing Store acceptable to the Landlord. Additionally, FF&E to be removed from the Closing Store shall only be removed either through the back shipping areas or through other areas after store business hours, with Landlord's supervision as required by the Landlord. The Merchant shall repair any damage resulting from the removal of any FF&E.
10. The Merchant and the Agent shall not make any alterations to interior or exterior Closing Store lighting. No property of any Landlord of a Closing Store shall be removed or sold during the Sale. The hanging of permitted exterior banners or other signage shall not constitute an alteration to a Closing Store.
11. The Agent and its agents and representatives shall have the same access rights to the Closing Stores as the Merchant under the terms of the applicable Lease, and the Landlord shall have the rights of access to the Closing Stores during the Sale provided for in the applicable Lease, subject, for greater certainty, to the stay of proceedings set out in the Initial Order.
12. The Merchant and the Agent shall not conduct any auctions of the Merchandise or FF&E at any of the Closing Stores. Subject to any agreement between the Merchant and a Landlord, the Merchant and the Agent shall not augment the Merchandise included in the Sale; provided, however, that the Merchant is expressly permitted to transfer Merchandise between and among the Closing Stores during the Sale.
13. The Merchant shall designate a party to be contacted by the Landlords should an issue arise concerning the conduct of the Sale. The initial contact person for the Merchant shall be Scot Sheeler at scot.sheeler@sterlingshoes.com or at business phone number (647) 213-0091. If the parties are unable to resolve the dispute between themselves, the Landlord or Merchant shall have the right to schedule a "status hearing" before the Court on no less than two (2) days written notice to the other party or parties, during which time the Merchant shall cease all activity in dispute pending the determination of the matter by the Court.
14. Nothing herein is, or shall be deemed to be, consent by any Landlord to the sale, assignment or transfer of any Lease or grant to the Landlord any greater rights than already exist under the terms of any applicable Lease.

SCHEDULE "A"

Sterling Shoes Store List

Str	Phone	Name/Mail	Address	City	ST	Zip	Selling S.F.
4	604-944-0875	Sunwood Square	Unit 080 - 3025 Lougheed Hwy.	Coquitlam	BC	V3B 6S2	4,050
6	604-430-6073	Metrotown	Unit 242 - 4800 Kingsway	Burnaby	BC	V5H 4J2	2,330
9	604-515-9922	King Edward St	Unit C - 15 King Edward Street	Coquitlam	BC	V3K 4S8	4,443
25	604-279-2022	Richmond	Unit 1912 - 6551 No. 3 Road	Richmond	BC	V6Y 2B6	956
31	250-370-2257	Hillside	Unit 55 - 1644 Hillside Avenue	Victoria	BC	V8T 2C5	941
35	250-383-9669	The Bay	Unit 225 - 1150 Douglas Street	Victoria	BC	V8W 3M3	857
36	250-390-0174	Woodgrove	Unit 113 - 5631 Island Highway N.	Nanaimo	BC	V9T 4T7	837
39	250-470-1100	Westshore Town	Unit 111 - 2948 Jacklin Road	Victoria	BC	V9B 5E3	3,008
54	604-585-3411	Guildford Town	Unit 2363 - 2695 Guildford Town Center	Surrey	BC	V3R 7B9	1,506
56	604-985-3475	Capilano	Unit 49 - 935 Marine Drive	N. Vancouver	BC	V7P 1S3	942
68	780-475-6348	North Town	9322 137th Ave	Edmonton	AB	T9E 0C2	3,000
77	403-271-2722	South Centre	Unit 152 - 100 Anderson Road S.	Calgary	AB	T2J 3V1	1,344
78	403-309-9229	Gaetz Avenue Cross	Unit 200 - 5250 22nd street	Red Deer	AB	T9R 2T4	4,491
84	403-590-0609	Sunridge	Unit 250 - 2525 38 Street N.E.	Calgary	AB	T1Y 5T4	811
85	780-449-4910	Sherwood Park	Unit 204 - #2020 Sherwood Dr	Sherwood Park	AB	T9A 3H9	3,826
95	204-257-8166	St. Vital	Unit 96 - 1225 St. Mary's Road	Winnipeg	MB	R2M 5E5	874
99	204-943-2821	Portage Place	Unit #145, 383 Portage Ave.	Winnipeg	MB	R3B 3H5	1,074
103	250-383-8473	The Bay	Unit 325A - 1150 Douglas Street	Victoria	BC	V8W 3M9	3,283
106	604-504-5322	Gladwin Crossing	Unit# C3 - 2777 Gladwin Road	Abbotsford	BC	V2T 4V1	3,050
115	250-561-9323	Pine	Unit 192 - 3055 Malsay Drive	Prince George	BC	V2N 2S9	1,233
116	778-294-0995	Grandview Corners	Unit 30, 2438 180th Street	Surrey	BC	V3S 6C8	1,399
117	778-294-4256	Grandview Corners	Unit 30, 2411 180th Street	Surrey	BC	V3S 6C8	3,708
121	403-452-7276	Marlborough	Unit 72 - 3900 Memorial Dr NE	Calgary	AB	T2A 2K2	3,506
122	250-452-9242	Westbank	Unit 102 - 2310 Louie Drive	Westbank	BC	V4I 1Y2	3,000
125	306-525-5544	Cornwall	Unit TT09C, 2102 11th Ave	Regina	SK	S4P 3Y6	872
126	250-275-1375	Village Green	CRU 134, 4900 27th Street	Vernon	BC	V1T 7G7	1,193
141	604-568-0046	Metrotown	Unit M137A - 4820 Kingsway	Burnaby	BC	V5H 4P1	2,221
145	604-512-0150	Park Royal	Unit 753 - 777 Park royal North	W. Vancouver	BC	V7T 1H9	2,078
170	905-634-9833	Burlington	Unit B2A - 777 Guelph Line	Burlington	ON	L7R 3N2	3,155
188	905-732-5358	Seaway	Unit #J6 - 800 Niagara Street North	Welland	ON	L3C 5Z4	2,903
189	613-834-4562	Place D'Orleans	Unit 485 110 Place D'Orleans Drive	Orleans	ON	K1C2L9	2,925
191	905-453-6460	Hwy 410 @ 7	Unit #2 150 West Drive	Brampton	ON	L6T 4P9	3,667
192	416-468-2979	Gerrard Square	Unit DD4-1000 Gerrard St. East	Toronto	ON	M4M 3G6	2,884
55	604-421-0732	Lougheed Mall	Unit 254 - 9855 Austin Road	Burnaby	BC	V3J 1N4	1,059
79	250-554-6704	Northhills	Unit #54 - 760 Tranquille Rd	Kamloops	BC	V2B 3H9	6,000
114	250-288-6538	Marina Square	Unit #250, 1400 Dogwood St.	Campbell River	BC	V9W3A8	3,000

Everything
AT LAST
10% OFF

NOTHING HELD BACK!

ENTIRE SHORE LINES

ALL
SALES
FINAL

10 WEEKS
1994 **AMERICAN EXPRESS**
DISCOVER CARD

[illegible]

Chemical structures of various substituted benzimidazoles and their precursors, labeled 1 through 10.

Figure 1 consists of two schematic diagrams. Diagram (a) is a top-down view of a rectangular arena. It shows a central platform (a small square) and a starting box (a larger rectangle) on the left side. The arena is divided into four quadrants by a vertical line and a horizontal line. Diagram (b) is a side view of the arena, showing the platform and the starting box. It also shows the vertical and horizontal lines dividing the arena into four quadrants.

Figure 1 displays nine plots showing the relationship between the number of species (S) and the number of individuals (N) for various species richness estimators. The plots are arranged in a 3x3 grid. The top row shows 'Observed', 'Chao1', and 'Chao2'. The middle row shows 'ACE1', 'ACE2', and 'ACE3'. The bottom row shows 'Hill1', 'Hill2', and 'Hill3'. Each plot has 'S' on the y-axis and 'N' on the x-axis. The plots show that as the number of individuals (N) increases, the number of species (S) also increases, with the rate of increase slowing down as N approaches infinity. The plots are labeled with the estimator name in the top right corner.

7X Percent Chais

LAST 10 DAYS!

**TEXTILES
FURNITURE
AND
HOME DECORATION
SALE**

**ONE
STORE MANAGER
FOR DETAILS**

JUMBO	
ORIGINAL PRICE	
RACK TOPPERS 7X11 original price V	
10%	50
20%	50
25%	50
30%	50
40%	50
50%	50
60%	25
70%	25
80%	25
90%	25
% CHARTS 7X11	
10%	6
20%	6
25%	6
30%	6
40%	6
50%	6
60%	6
70%	6
80%	6
90%	6
28X40 D/F	
EVERYTHING AT LEAST 10%-30% OFF	4
NUMBER OVERLAYS	1/2
ORIGINAL PRICE OVERLAYS	8
UP TO	8
22X28 D/F	
STORE CLOSING	6
EVERYTHING MUST GO	3
ENTIRE STORE ON SALE	3
NOTHING HELD BACK	1
LAST 10 DAYS W/OVERLAYS	2
FIXTURES	3
HARDWARE	
12" WIRE	50
CLIPS	50
POLICY	
ALL SALES FINAL	6
NO CHECKS (c-v-mc-d-ae)	6
WARRANTIES	6
DO NOT OPEN CARTONS	6
SALE HOURS	2
BLANK BURST	50
% BURST	25
YOU PAYS	
2"X3" TAGS	100
3"X4" TAGS	300
5"X7" TAGS	200
7"X11"	100
36X60 S/F	
STORE CLOSING	4
EVERYTHING MUST GO	2
ENTIRE STORE ON SALE	1
EVERYTHING ON SALE (PUSH PIN)	1
STORE CLOSING (PUSH PIN)	1