

District of British Columbia
Division No. 03 – Vancouver
Court No. S-152303
Estate No. 11-1946231



IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE RECEIVERSHIP OF
CONTECH ENTERPRISES INC.

SECOND REPORT OF DELOITTE RESTRUCTURING INC.
IN ITS CAPACITY AS RECEIVER AND MANAGER

May 15, 2015

TABLE OF CONTENTS

	Page
1. INTRODUCTION	2
2. PURPOSE OF REPORT.....	3
3. TERMS OF REFERENCE	3
4. RECEIVER'S ACTIVITIES SINCE FIRST REPORT.....	4
5. CONTINUED SALES PROCESS.....	5
6. APPROVAL OF THE RECOMMENDED TRANSACTION.....	7
7. PROPOSED INTERIM DISTRIBUTION	9
8. NOTICE.....	10
9. URGENCY.....	10
10. CONCLUSION.....	11

APPENDICES

APPENDIX A	Receivership Order dated March 20, 2015
APPENDIX B	Approval and Vesting Order dated April 29, 2015
APPENDIX C	Intellectual Property Purchase and Sale Agreement dated May 12, 2015
APPENDIX D	Inventory Purchase and Sale Agreement dated May 12, 2015
APPENDIX E	Statement of Estimated Realizations
APPENDIX F	Statement of Receipts and Disbursements

1. INTRODUCTION

This is the Receiver's second report (the "**Second Report**") to the Supreme Court of British Columbia. The first report was made on April 24, 2015 (the "**First Report**").

Contech Enterprises Inc. ("**Contech**" or the "**Company**") filed a proposal on December 23, 2014 to its creditors ("**Proposal**") under Part III, Division I of the *Bankruptcy and Insolvency Act* ("**BIA**") appointing Deloitte Restructuring Inc. ("**Deloitte**") as Proposal Trustee. The Proposal was approved at the first meeting of creditors on January 8, 2015 and subsequently by the Supreme Court of British Columbia on January 27, 2015. However, the approval of the Proposal was overturned by the Court of Appeal for British Columbia on March 6, 2015, resulting in the automatic deemed bankruptcy of the Company. Deloitte was deemed to be appointed as Trustee in Bankruptcy of Contech and its appointment was later affirmed at a meeting of creditors held on March 26, 2015.

On March 11, 2015, Deloitte was instrument appointed as receiver by HSBC Bank Canada ("**HSBC**") pursuant to a general security agreement dated September 29, 2011, granted by Contech in favour of HSBC.

Upon the application of HSBC, the Supreme Court of British Columbia appointed Deloitte as receiver and manager ("**Receiver**") of Contech pursuant to an Order dated March 20, 2015. A copy of the Receivership Order is attached hereto as **Appendix "A"**.

Additional information and details of the proposal, bankruptcy and receivership proceedings can be found on the Receiver's website at: www.insolvencies.deloitte.ca/en-ca/Pages/Contech.aspx.

On April 29, 2015, the Receiver sought and obtained an Approval and Vesting Order approving a sale transaction to Scotts Canada Inc. ("**Scotts**") vesting in Scotts the Receiver's right, title and interest in the majority of the assets of the Company ("**Scotts Transaction**"). The Scotts Transaction settled on May 6, 2015 ("**Scotts Settlement Date**"). A copy of the Approval and Vesting Order for the Scotts Transaction is attached hereto as **Appendix "B"**.

2. PURPOSE OF REPORT

The purpose of this Second Report is to:

- a) describe the activities of the Receiver since the First Report;
- b) seek an Order of this Honourable Court:
 - (i) approving a transaction for the sale by the Receiver of the inventory and intellectual property of the “Frame-It-All” business line of the Company (the “**Purchased Assets**”), pursuant to two purchase and sale agreements dated May 12, 2015 (the “**PSA**”) to VegHerb, LLC. (“**VegHerb**”);
 - (ii) vesting the right, title and interest of Contech in the Purchased Assets to VegHerb; and
 - (iii) approving an interim distribution to HSBC, First West Credit Union Ltd. (“**First West**”) and Business Development Bank of Canada (“**BDC**”), the three priority ranking secured creditors of the Company.

3. TERMS OF REFERENCE

In preparing this Report we have relied upon the financial information of the Company and discussions with management.

The financial information of the Company has not been audited, reviewed or otherwise verified by us as to its accuracy or completeness, nor has it necessarily been prepared in accordance with generally accepted accounting principles. Additionally, none of our procedures were intended to disclose defalcations or other irregularities. Were we to perform additional procedures or to undertake an audit examination of the financial statements in accordance with generally accepted auditing standards, additional matters may have come to our attention. Accordingly, we do not express an opinion or provide any other form of assurance on the financial or other information presented herein. We may refine or alter our observations as further information is obtained or brought to our attention after the date of this Report.

We assume no responsibility or liability for any loss or damage occasioned by any party as a result of the circulation, publication, reproduction or use of this Report. Any use which any party makes of this Report, or any reliance or decisions to be made based on this Report is the sole responsibility of such party.

All currency amounts referenced in this Report are expressed in Canadian dollars, unless otherwise specified.

Capitalized terms used in this Report and not otherwise defined have the defined meanings as set forth in the PSA.

4. RECEIVER'S ACTIVITIES SINCE FIRST REPORT

Since the First Report, the Receiver continued to operate the main trading sites of the Company until settlement of the Scotts Transaction. This Honourable Court approved the PSA for the Scotts Transaction attached as Appendix D to the First Report (the "**Scotts PSA**") on April 29, 2015. The Scotts Transaction settled on May 6, 2015.

Pursuant to the Scotts PSA, Scotts paid a deposit of \$500,000 to the Receiver on April 17, 2015. On the Scotts Settlement Date, Scotts remitted to the Receiver \$4.35 million, being the remaining balance on the purchase price for the Scotts Transaction. In accordance with the Scotts PSA, Scotts acquired the accounts receivable effective April 15, 2015. On the same day, the Receiver remitted to Scotts CAD \$217,883.98 and USD \$266,995.64 for the accounts receivable purchased by Scotts that had been collected by the Receiver since April 15, 2015. On the Scotts Settlement Date, the Receiver ceased trading the businesses purchased by Scotts and terminated 11 employees that were offered continuing employment by Scotts and 15 employees that were no longer required for the administration of the estate. The Receiver will continue to assist in transitioning the business operations to Scotts until June 20, 2015 at the latest.

Prior to the Scotts Settlement Date, Scotts advised that they were having issues collecting assets of the Company from a former supplier who was withholding these assets due to unpaid invoices. The Receiver agreed to hold in trust \$100,000 of the total \$4.85 million proceeds from the Scotts Transaction in case the withholding of assets continues to be an issue, and in the event payment may be required to release these assets. To assist with resolution of this issue, the Receiver has

provided evidence to Scotts that shows the assets were owned by Contech and, as such, ownership of this property was transferred to Scotts upon settlement of the Scotts Transaction.

The Receiver's significant activities since the First Report include:

- a) assisting Scotts on the transition of business operations acquired in the Scotts Transaction;
- b) downsizing the remaining operations of the Company in order to reduce costs while still retaining the value of the remaining assets;
- c) ongoing collection of the Company's pre-filing and post-filing accounts receivable;
- d) negotiating finished goods inventory sales on an "as is, where is" basis with interested parties;
- e) reviewing and approving receipts and disbursements on a daily basis;
- f) preparing, reviewing and regularly updating the operational cash flow projections;
- g) regular attendance at the Company's head office to manage day-to-day operations along with attendance at the Delta, British Columbia site and Contech US premise in Grand Rapids, Michigan;
- h) establishing and maintaining the Receiver's website to inform creditors and all other stakeholders of the insolvency proceeding, Court Orders, reports and other relevant information; and
- i) maintaining the books and records related to the receivership administration.

5. CONTINUED SALES PROCESS

The sales process conducted by the Receiver is described in detail in the First Report, and in particular at Part 6 of the First Report. Since acceptance of the Scotts PSA, and approval of the Scotts Transaction on April 29, 2015, the Receiver has continued negotiations with interested parties in order to sell the remaining assets of the Company. These assets included a product known as "Frame-It-All", a raised garden bed and sand box border product made of eco-friendly, durable composite timbers. The Receiver continued to seek potential purchasers for the Frame-It-All business and assets.

As a result of the sales process, and the Receiver's continued efforts, two offers were received for the Frame It All intellectual property (the "**FIA Intellectual Property**") and one offer was received for the Frame It All inventory (the "**FIA Inventory**").

The offer received for the FIA Inventory was an offer from VegHerb, LLC ("**VegHerb**") to acquire the FIA Inventory at a price of \$0.15 per dollar of saleable inventory (as defined in the PSA). Pursuant to the PSA, the total amount to be paid by VegHerb for the FIA Inventory is to be determined as at settlement of the transaction. Based on discussions with VegHerb and the Receiver's review of the FIA Inventory, the Receiver estimates that the sale of the FIA Inventory to VegHerb will generate proceeds of approximately \$74,000 (on approximately \$490,000 of FIA Inventory). The offer from VegHerb was the only offer received to purchase the FIA Inventory. This offer also contained a condition that it could not be accepted unless the Receiver also accepted VegHerb's offer to acquire the FIA Intellectual Property.

One offer for the FIA Intellectual Property was submitted by NewTechWood. The other offer was submitted by VegHerb. The VegHerb offer for the FIA Intellectual Property was for a total price of \$700,000, to be paid by \$25,000 in cash and \$675,000 as an assumption of liability or forgiveness of the Company's debt owed to VegHerb.

In February 2013, the Company acquired VegHerb's business, including the FIA Intellectual Property, for a total purchase price of \$4,438,750. The Company granted a security interest to secure repayment of the total purchase price. As of May 2015, approximately \$1,800,000 of this purchase price remains unpaid. As a result, the Receiver determined that VegHerb has a purchase money security interest over the FIA Intellectual Property, and that it was entitled to credit bid on the FIA Intellectual Property.

The VegHerb offers were accepted, subject to Court Approval, for the following reasons:

- a) the VegHerb offer to acquire the FIA Inventory was the only offer received;
- b) the VegHerb offer to acquire the FIA Intellectual Property was the superior offer received, including being for a higher total price;

- c) acceptance of the VegHerb offer to acquire the FIA Intellectual Property was a pre-condition to acceptance of its offer to acquire the FIA Inventory and, as a result, generates further proceeds for the estate;
- d) the Receiver will continue to conduct a sales process for the remaining assets of the Company that are excluded from the Scotts Transaction and the VegHerb offers to continue to generate proceeds for the estate; and
- e) the consideration to be received for the assets is reasonable and fair, taking into account the other offer received as a result of the sale process.

The sales process was fair and reasonable given the following:

- a) the FIA Inventory and the FIA Intellectual Property were marketed as part of the general sales process described in the First Report, including being advertised for sale publicly;
- b) all bidders had the same access to information and to management if required;
- c) all bidders were granted the same amount of time to conduct their due diligence;
- d) given the limited liquid assets held by the Company, a long period of active receivership and a longer sale process is impractical; and
- e) since many of Contech's assets were related to gardening and forestry businesses and products, the Receiver was of the view that value could be maximised by a short sale period.

6. APPROVAL OF THE RECOMMENDED TRANSACTION

Upon acceptance of the VegHerb offers, the Receiver entered into the two PSAs which provide for the purchase and sale of the FIA Inventory and the FIA Intellectual Property (the "**Recommended Transactions**"). Copies of the PSAs are attached hereto as **Appendix "C"** and **Appendix "D"**. Certain key elements of the PSAs include:

- a) a \$25,000 deposit for the FIA Intellectual Property (being the cash component of the offer) has been paid to the Receiver;

- b) a \$25,000 deposit for the FIA Inventory has been paid to the Receiver;
- c) VegHerb offers to acquire the Receiver's right, title and interest in the FIA Inventory and the FIA Intellectual Property, for the aggregate price of approximately \$774,000; and
- d) the purchase price for the FIA Inventory will be determined based on the book value of the inventory remaining on settlement, being no later than the 2nd business day following the day on which the Approval and Vesting order is obtained. As noted above, the Receiver currently estimates that the total proceeds for the sale of the FIA Inventory will be approximately \$74,000.

The Receiver recommends that this Honourable Court approve the Recommended Transactions for the following reasons:

- a) the Recommended Transactions provide for a greater recovery than the other offer received for the FIA Intellectual Property;
- b) the offer received for the FIA Inventory was the only offer received for this asset, and is conditional on the Receiver also accepting VegHerb's offer to purchase the FIA Intellectual Property;
- c) the market was extensively tested, as detailed in the sales process described above and in the First Report, within the time constraints available due to the Company's lack of liquidity, and the VegHerb offers represent the greatest total recovery for the Company's creditors;
- d) the purchase price is reasonable given the marketing of the assets and the offers received;
- e) the Recommended Transactions eliminates the Receiver's need to incur costs associated with continuing its efforts to sell the FIA Inventory and/or FIA Intellectual Property;
- f) the Recommended Transactions provide for a closing which is anticipated to take place immediately or very shortly after the granting of the Approval and Vesting Order, if so granted by this Honourable Court, which will in turn reduce the Receiver's costs associated with securing and monitoring the assets being sold, in particular the FIA Inventory;

- g) VegHerb has the first ranking security interest over the FIA Intellectual Property, and is supportive of the Receiver's recommendation; and
- h) the VegHerb offers will reduce the Company's secured debt level and increase the potential realizations to the lower ranked debenture holders.

7. PROPOSED INTERIM DISTRIBUTION

The Receiver has received advice from its legal counsel as to the priority ranking of the secured creditors. Based on the security interests granted by the Company in favour of HSBC, First West and BDC (collectively, the "**Banks**"), and based on the Banks' registration of their security and the subordination agreements entered into between the Banks, the Receiver determined that the Banks have the priority position over the Company's assets. Based on discussions between the Receiver and the Banks, the proceeds of the Scotts Transaction are more than enough to fully cover the receivership costs attributable to the assets sold in the Scotts Transaction, repay the Banks, and to leave further proceeds for distribution to the subordinate secured creditors. Interest continues to accrue on the debt owed to the Banks, and the interest charged is significant. As such, the Receiver is proposing an interim distribution to the Banks given the settlement of the Scotts Transaction and available funds in the estate. This distribution will benefit the subordinate secured creditors by fully repaying the Banks and reducing ongoing interest charges.

The settlement of the Scotts Transaction provided gross proceeds of \$4.85 million. The Receiver has not yet allocated receivership costs amongst the Company's assets. However, even if the full amount of the receivership costs were attributed to the assets sold in the Scotts Transaction (which they will not be), the proceeds of the Scotts Transaction are sufficient to cover those costs and fully repay the amounts owed to the Banks. At this time, the Receiver proposes to distribute approximately \$3.1 million to the Banks in the form of an interim distribution. According to pay-out statements received from the Banks, Contech's indebtedness to HSBC, First West and BDC is approximately \$1.257 million, \$1.750 million and \$87,000 respectively. The projected balance of estate funds and the ongoing collection of pre-filing and post-filing accounts receivable will continue to be held by the Receiver to fund the ongoing administration of the estate and for distributions to the subordinate secured creditors. A copy of the Receiver's statement of estimated

realization is attached is **Appendix “E”**. A copy of the Receiver’s receipts and disbursements is also attached as **Appendix “F”**.

8. NOTICE

Since the proposal process began in December 2014, the Receiver has communicated to the Company’s creditors and other interested parties and stakeholders by posting information the Receivers website. Where information disclosed in this fashion is of interest to creditors or interested parties, they contact the Receiver. The Receiver is of the view that if the Notice of Application to approve the sale to VegHerb and this Report were posted to that website, it would likely reach the attention of the majority of the Company’s creditors and other interested parties.

The Receiver also communicates on a regular basis with certain creditors and interested parties by email. The Receiver is of the view that if the Notice of Application and this Report were delivered to those creditors at the email addresses used in past correspondence, it would be likely to reach the attention of those creditors.

The Receiver is of the view that giving notice of the Application to approve the sale to VegHerb in this fashion would be more effective, practicable and timely than sending materials by mail or personal service, and that it would save substantial expense. This method of service is also consistent with the approach taken in seeking the Court’s approval of the Scotts Transaction.

9. URGENCY

As time passes, the receivership continues to accrue costs and reduce the overall recovery available to the Company’s creditors. The Receiver is of the view that value can be maximised by proceeding to sell the assets quickly to minimise these costs.

As noted above, the Company is in the business of designing, manufacturing and marketing environmentally friendly products for the pet and garden industries. The busiest season for these industries is in the spring and summer. As a result, the Receiver moved quickly following its appointment to sell the assets, and conducted a sales process over a short period of time.

Based on discussions with the potential purchasers and interested parties, and based on the offers received, the Receiver is of the view that the value of the Company's business and assets can be maximised by selling the assets quickly.

The Receiver also notes that the VegHerb PSA contains a provision requiring the Receiver to use its best efforts to obtain an Approval and Vesting Order as expeditiously as possible, and further provides that the Receiver shall have obtained this order by no later than May 22, 2015. It is not clear whether VegHerb would extend this time period in the event the Receiver is unable to obtain the Approval and Vesting Order by this date.

To maximise recovery for all stakeholders, the Receiver asks that this application be heard on or before May 22, 2015. Delaying the application until a later date will increase the receivership costs and interest accrued on secured debt, thereby reducing the recovery for all stakeholders. Delaying the application until a later date may also jeopardize the offer before the Court since, as noted above, the VegHerb PSA contains specific provisions regarding timing and, as noted above, this is a critical time in the Company's business cycle.

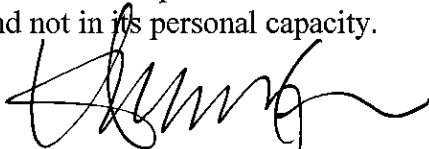
10. CONCLUSION

It is the Receiver's view that the Recommended Transactions are in the best interest of the creditors since they are the highest offers and provide the best return to creditors of the Company. The Receiver will continue to realize and negotiate the sale of assets that are excluded from the Recommended Transactions. The Receiver respectfully requests that this Honourable Court grant the relief requested in paragraph 2(iii).

DATED AT the City of Vancouver, in the Province of British Columbia, this 15th day of May, 2015.

DELOITTE RESTRUCTURING INC.

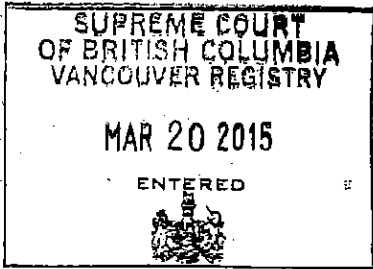
In its capacity as Court-appointed Receiver and Manager of
Contech Enterprises Inc.
and not in its personal capacity.



Per: Huey Lee, MBA, CPA, CMA, CIRP
Senior Vice President

APPENDIX A

RECEIVERSHIP ORDER DATED MARCH 20, 2015



No. S152303
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN

HSBC BANK CANADA

PLAINTIFF

AND:

CONTECH ENTERPRISES INC.
BUSINESS DEVELOPMENT BANK OF CANADA
LAUREL RAYANI
CARY GREGORY
JANET GREGORY
JULIEN SELLGREN
JANET SHANNON
MARK GRAMBART
BURMAN AND BURMAN CORP.
MICHAEL BRENNER
ANDERS TREIBERG
ELISABETH TREIBERG
MINZAR HOLDINGS LTD.
0872951 B.C. LTD.
FIRST WEST CREDIT UNION
VEGHERB, LLC
SADLER FARMS LTD.
PAUL HOOPER
MARIANNE HOOPER
BC ADVANTAGE FUNDS (VCC) LTD.
ECL HOLDINGS LTD.
ST. PATRICK HOLDINGS LTD.
BWF HOLDINGS LTD.
DENMAN ISLAND CHOCOLATE LTD.

DEFENDANT

ORDER MADE AFTER APPLICATION

BEFORE THE HONOURABLE)
MADAM) FRIDAY, THE 20TH DAY
JUSTICE ROSS)
) OF MARCH 2015.

ON THE APPLICATION of HSBC Bank Canada (the "Applicant") for an Order pursuant to Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and Section 39 of the *Law and Equity Act*, R.S.B.C. 1996 c. 253, as amended (the "LEA") appointing Deloitte Restructuring Inc. as Receiver Manager (in such capacity, the

“Receiver”) without security, of all of the assets, undertakings and properties of Contech Enterprises Inc. (the “Debtor”) acquired for, or used in relation to a business carried on by the Debtor, coming on for hearing this day at the Courthouse, 800 Smithe Street, Vancouver British Columbia.

AND ON READING the Notice of Application dated March 17, 2015 the Affidavit #1 of Jeff Lovestead sworn March 16, 2015 and the Affidavit of Huey Lee, sworn March 16, 2015, and the consent of Deloitte Restructuring Inc. to act as the Receiver; AND ON HEARING Kimberley A. Robertson, Counsel for the Applicant; and no one else appearing.

THIS COURT ORDERS AND DECLARES that:

APPOINTMENT

1. Pursuant to Section 243(1) of the BIA and Section 39 of the LEA Deloitte Restructuring Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor (wherever located) acquired for, or used in relation to a business carried on by the Debtor, , including, without limitation, Debtor’s equity interests in its wholly-owned subsidiary Contech (U.S.) Inc. (“Contech US”), and all proceeds of all of the foregoing (the “Property”).

RECEIVER’S POWERS

2. The Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
 - (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
 - (b) to receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
 - (c) to manage, operate and carry on the business of the Debtor, including the powers to enter into any agreements, make advances to Contech US to fund the payroll and operating costs of Contech US as the Receiver may consider necessary for the operation of the Debtor’s business or maximizing the value of the Property, incur any obligations in the ordinary course of business, cease to carry on all or any part of the other business, cease to perform any contracts of the Debtor or to direct Contech US to take any and all actions necessary or desirable to assist the Receiver in carrying out its duties or in furtherance of this Order;
 - (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever

basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including, without limitation, those conferred by this Order;

- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
 - (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor, to transfer ownership of bank accounts of Contech US, into which proceeds of Property are deposited, to the Receiver and/or the Debtor, and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
 - (g) to settle, extend or compromise any indebtedness owing to the Debtor;
 - (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
 - (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
 - (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
 - (k) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
 - (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:
 - (i) without the approval of this Court in respect of any transaction not exceeding \$50,000, provided that the aggregate consideration for all such transactions does not exceed \$200,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause,
- and in each such case notice under Section 59(10) of the *Personal Property Security Act*, R.S.B.C. 1996, c. 359 shall not be required;
- (m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if considered necessary or appropriate by the Receiver, in the name of the Debtor;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limitation, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

3. Each of (i) the Debtor and Contech US, (ii) all of the Debtor's current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependant on maintaining possession) to the Receiver upon the Receiver's request.
4. All Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 4 or in paragraph 5 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be

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

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

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

7. No Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court; provided, however, that nothing in this Order shall prevent any Person from commencing a Proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such Proceeding is not commenced before the expiration of the stay provided by this paragraph and provided that no further step shall be taken in respect of Proceeding except for service of the initiating documentation on the Debtor and the Receiver.

NO EXERCISE OF RIGHTS OR REMEDIES

8. All rights and remedies (including, without limitation, set-off rights) against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that nothing in this Order shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) affect the rights of any regulatory body as set forth in section 69.6(2) of the BIA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien. The stay and suspension shall not apply in respect of any "eligible financial contract" as defined in the BIA.

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

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

RECEIVER TO HOLD FUNDS

11. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever including, without limitation, the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post-Receivership Accounts**") and the monies standing to the credit of such Post-Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

EMPLOYEES

12. Subject to the right of employees to terminate their employment notwithstanding paragraph 10, all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities of the Debtor, including any successor employer liabilities as provided for in Section 14.06(1.2) of the BIA, other than amounts the Receiver may specifically agree in writing to pay and amounts in respect of obligations imposed specifically on receivers by applicable legislation. The Receiver shall be liable for any employee-related liabilities, including wages, severance pay, termination pay, vacation pay, and pension or benefit amounts relating to any employees that the Receiver may hire in accordance with the terms and conditions of such employment by the Receiver.

13. Pursuant to Section 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5 or Section 18(1)(o) of the *Personal Information Protection Act*, S.B.C. 2003, c. 63, the Receiver may disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

14. Nothing in this Order shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release, or deposit of a substance contrary to any federal, provincial or other law relating to the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, 1999, S.C. 1999, c. 33, the *Fisheries Act*, R.S.C. 1985, c. F-14, the *Environmental Management Act*, R.S.B.C. 1996, c. 118 and the *Fish Protection Act*, S.B.C. 1997, c. 21 and regulations thereunder (collectively "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless the Receiver is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

15. The Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except:
 - (a) any gross negligence or wilful misconduct on its part; or
 - (b) amounts in respect of obligations imposed specifically on receivers by applicable legislation.

Nothing in this Order shall derogate from the protections afforded the Receiver by Section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

16. The reasonable fees and disbursements of the Receiver and its legal counsel, in each case at their standard rates and charges, shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to Sections 14.06(7), 81.4(4), and 81.6(2) of the BIA , except in respect of the security interest of the Business Development Bank of Canada over Fixed assets, Furniture and Equipment to which it has priority pursuant to the Subordination Agreement granted by it in favour of the Plaintiff (the "**BDC Security**"), with the respective priorities between the Receiver's Charge and the BDC Security to be determined at a later date.
17. The Receiver and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Supreme Court of British Columbia and may be heard on a summary basis.
18. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

19. The Receiver be at liberty to apply at a later date for authority to borrow funds and obtain a charge over the Property (the "**Receiver's Borrowing Charge**") in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in Sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

ALLOCATION

20. That any interested party may apply to this Court on notice to any other party likely to be affected, for an order allocating the Receiver's Charge and Receiver's Borrowings Charge, if any, amongst the various assets comprising the Property.

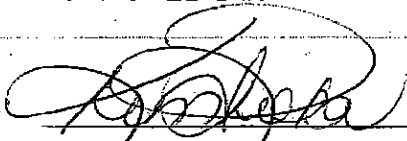
GENERAL

21. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
22. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

23. This Court requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction, wherever located, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All such courts, tribunals and regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
24. The Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal or regulatory or administrative body, wherever located, for recognition of this Order and for assistance in carrying out the terms of this Order and the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
25. The Applicant shall have its costs of this motion, up to and including entry and service of this Order, as provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.
26. Any interested party may apply to this Court to vary or amend this Order on not less than seven (7) clear business days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.
27. Endorsement of this Order by counsel appearing on this application other than the Applicant is hereby dispensed.

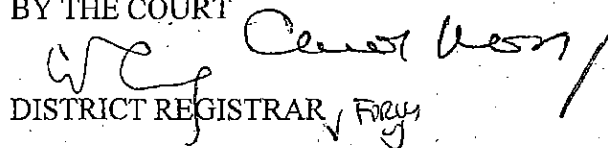
THE FOLLOWING PARTIES APPROVE OF THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

APPROVED BY:



Kimberley A. Robertson
Counsel for HSBC Bank Canada

BY THE COURT



DISTRICT REGISTRAR, *Frey*

APPENDIX B

APPROVAL AND VESTING ORDER FOR THE SCOTTS SALE

SUPREME COURT
OF BRITISH COLUMBIA
VANCOUVER REGISTRY

APR 29 2015

ENTERED



No. S-152303
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

HSBC BANK CANADA

PLAINTIFF

AND:

CONTECH ENTERPRISES INC., BUSINESS DEVELOPMENT BANK OF CANADA,
LAUREL RAYANI, CARY GREGORY, JANET GREGORY, JULIEN SELLGREN,
JANET SHANNON, MARK GRAMBART, BURMAN AND BURMAN CORP.,
MICHAEL BRENNER, ANDERS TREIBERG, ELISABETH TREIBERG, MINZAR
HOLDINGS LTD., 0872951 B.C. LTD., FIRST WEST CREDIT UNION, VEGHERB,
LLC, SADLER FARMS LTD., PAUL HOOPER, MARIANNE HOOPER, BC
ADVANTAGE FUNDS (VCC) LTD., ECL HOLDINGS LTD., ST. PATRICK HOLDINGS
LTD., BWF HOLDINGS LTD. and DENMAN ISLAND CHOCOLATE LTD.

DEFENDANTS

ORDER MADE AFTER APPLICATION

APPROVAL AND VESTING ORDER

BEFORE THE HONOURABLE

JUSTICE WALKER

)
)
)

29/APRIL/2015

THE APPLICATION of Deloitte Restructuring Inc., in its capacity as Court-appointed Receiver and Manager (the "Receiver") of the assets, undertakings and properties of Contech Enterprises Inc. coming on for hearing at Vancouver, British Columbia, on the 29th day of April, 2015; AND ON HEARING Lisa Hiebert, counsel for the Receiver, and those other counsel listed on Schedule "A" hereto; AND UPON no one else appearing although duly served; AND UPON READING the material filed, including the First Report of the Receiver dated April 24, 2015 (the "First Report");

THIS COURT ORDERS AND DECLARES THAT:

1. The sale transaction (the "Transaction") contemplated by the Asset Purchase and Sale Agreement dated April 15, 2015 (the "Sale Agreement") between Scotts Canada Ltd. (the "Purchaser") and the Receiver, a copy of which is attached as Schedule "B" to this Order, is hereby approved and the Sale Agreement is commercially reasonable. The

execution of the Sale Agreement by the Receiver is hereby authorized and approved, and the Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance to the Purchaser of the assets described in the Sale Agreement (the "**Purchased Assets**").

2. Upon delivery by the Receiver to the Purchaser of a certificate substantially in the form attached as Schedule "C" hereto (the "**Receiver's Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in the Purchaser in fee simple, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of this Court dated March 20, 2015; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of British Columbia or any other personal property registry system (all of which are collectively referred to as the "**Encumbrances**"), and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.
3. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Receiver's Certificate all Claims shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having had possession or control immediately prior to the sale.
4. The Receiver is to file with the Court a copy of the Receiver's Certificate forthwith after delivery thereof.
5. Pursuant to Section 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act* or Section 18(10)(o) of the *Personal Information Protection Act* of British Columbia, the Receiver is hereby authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the company's records pertaining to the Debtor's past and current employees, including personal information. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.
6. Subject to the terms of the Sale Agreement, vacant possession of the Purchased Assets, including any real property, shall be delivered by the Receiver to the Purchaser at 12:00 noon on the Closing Date (as defined in the Sale Agreement).

7. The Receiver, with the consent of the Purchaser, shall be at liberty to:

(a) extend the Closing Date to such later date as the Purchaser and the Receiver may agree; *but in any event, no later than*

(b) ~~make such amendments to the Sale Agreement as the Purchaser and the Receiver consider necessary or desirable;~~ *May 6, 2015, without further order*

of this Court.

without the necessity of a further Order of this Court.

8. Notwithstanding:

(a) these proceedings;

(b) any applications for a bankruptcy order in respect of the Debtor now or hereafter made pursuant to the *Bankruptcy and Insolvency Act* and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made by or in respect of the Debtor,

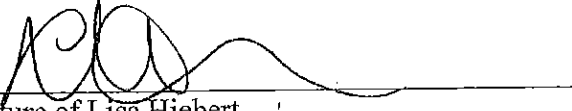
the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute or be deemed to be a transfer at undervalue, fraudulent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

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

10. The Receiver or any other party have liberty to apply for such further or other directions or relief as may be necessary or desirable to give effect to this Order.

11. Endorsement of this Order by parties appearing on the application, other than counsel for the Receiver, 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 Lisa Hiebert

Party Lawyer for the Receiver

BY THE COURT



REGISTRAR



✓ Form
M

Schedule A – Counsel List

Name	Party Represented
Lisa Hiebert	Deloitte Restructuring Inc., receiver and manager of Contech Enterprises Inc.
Matthew Nied	Scotts Canada Ltd., the proposed purchaser

Schedule B – Purchase and Sale Agreement

PURCHASE AND SALE AGREEMENT

This agreement (this "Agreement") dated as of the 15 day of April, 2015

BETWEEN:

Scotts Canada Ltd., a company incorporated under the federal laws of Canada and having its registered office at 199 Bay Street, Suite 5300, Commerce Court West, Toronto, Ontario, Canada, M5L 1B9

(the "Purchaser")

AND:

Deloitte Restructuring Inc., in its capacity as court-appointed receiver over the assets, undertakings and properties of Contech Enterprises Inc., and not in its personal capacity

(the "Receiver")

WHEREAS:

A. On March 20, 2015, on the application of HSBC Bank Canada, the Supreme Court of British Columbia (the "Court") in Action Number S152303, Vancouver Registry (the "Receivership Proceedings"), appointed the Receiver to act as receiver over the assets, undertakings and properties of Contech Enterprises Inc. ("Contech") pursuant to an order of the Court (as such order may be amended or restated from time to time, the "Receivership Order").

B. On the date hereof, Contech carries on the Purchased Business and the Excluded Business (each as defined below).

C. The Receiver desires to sell, or to cause to sell and the Purchaser desires to purchase, all of the assets of every kind and description and wheresoever situate of the Purchased Business, including, without limitation, all related inventory, accounts receivable and cash in the Receiver's bank accounts derived from the Purchased Business as at April 15, 2015, all Intellectual Property and the assets described in Schedule "A" hereto (the "Purchased Assets"), which will not include the Leases, the Nooski Contract, any contracts entered into in connection with the Industrial Business or the assets related to the Excluded Business, upon the terms and subject to the conditions set forth in this Agreement, upon Closing.

D. Contech is the owner of the property, rights and interests of the Purchased Business, including, without limitation, the property, rights and interests listed on Schedule "A" hereto.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the covenants and agreements herein contained the parties hereto agree as follows:

1. DEFINED TERMS

Capitalized terms used but not otherwise defined herein shall have the following meanings:

"**Animal Repellant Business**" means the business of the development, manufacture and sale of motion-activated sprinkler animal repellents and sonic animal repellent devices, including, without limitation, the ScareCrow Sprinkler and Catstop Repellent devices, carried on by Contech in Canada and the United States of America as of the date hereof, and other activities related thereto.

"**Approval and Vesting Order**" means an Order of the Court in the Receivership Proceedings, as required, substantially in form attached as Schedule "B" hereto and as may be amended with the consent of the Receiver and Purchaser acting reasonably.

"**Applicable Law**" means, in respect of any Person, property, transaction or event, any domestic or foreign statute, law (including the common law), ordinance, rule, regulation, treaty, restriction, regulatory policy, standard, code or guideline, by-law or order that applies in whole or in part to such Person, property, transaction or event.

"**Assumed Liabilities**" has the meaning has the meaning ascribed thereto in Section 2.3.

"**Business Day**" means a day other than a Saturday, a Sunday or a statutory holiday in British Columbia.

"**Canadian Dollars**" means the lawful currency of Canada.

"**Consent and Approval**" means, as applicable in respect of an instrument, document, authorization, contract or agreement, a consent, approval, notification or waiver from or filing with, any third party Person (including any Governmental Authority) as may be required to assign or transfer such agreement pursuant to the transactions contemplated by this Agreement, in form and substance satisfactory to the Purchaser, acting reasonably.

"**Court**" has the meaning ascribed thereto in the Recitals.

"**Claim**" means any claim, action, demand, cause of action, suit, complaint, proceeding, arbitration, judgment, settlement, award, assessment, re-assessment, order, investigation, enquiry or hearing made or threatened.

"**Closing**" means the completion of the purchase and sale of the Purchased Assets in accordance with the provisions of this Agreement.

"**Closing Date**" means the 2nd Business Day following the day on which the Approval and Vesting Order is obtained, or such other time and date as may be agreed upon in writing by Receiver and Purchaser, acting reasonably.

"**Christmas Tree Stands Business**" means the business of the development, manufacture and sale Christmas tree stands and other Christmas products carried on by Contech in Canada and the United States of America as of the date hereof, and other activities related thereto.

"Dataroom" means the dataroom established by the Receiver in connection with the transactions contemplated by this Agreement.

"Encumbrances" means any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by Receivership Order or subsequent orders in the Receivership Proceedings; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (British Columbia) or any other personal property registry system.

"Excluded Assets" means all assets of Contech, other than the Purchased Assets, including, without limitation, all related inventory, accounts receivable and cash in the Receiver's bank accounts derived from the Excluded Business as at April 15, 2015.

"Excluded Business" means the Pet Care Business, the Christmas Tree Stands Business and the Garden Bed and Sandbox Business.

"Excluded Contracts" means all contracts, licences, leases, agreements, obligations, promises, undertakings, understandings, arrangements, documents, commitments, entitlements or engagements to which Contech is a party or by which Contech is bound or under which Contech has, or will have, any liability or contingent liability (in each case, whether written or oral, express or implied) other than the Purchased Contracts, as same may be amended and/or restated, and including any and all related quotations, orders, proposals or tenders which remain open for acceptance, warranties and guarantees and documents ancillary thereto including, without limitation, the Nooski Contract and any contracts related to the Industrial Business.

"Excluded Liabilities" means all Liabilities other than the SFU Liability and the Assumed Liabilities, including, without limitation, any Liability related to the Excluded Business, including, without limitation, any Encumbrances, any environmental liability and any Liabilities relating to any Excluded Contract or Lease or any claim for Taxes, interest, penalties or fines.

"Governmental Authority" means any government, regulatory authority, governmental department, agency, commission, bureau, court, judicial body, arbitral body or other law, rule or regulation making entity:

- (a) having jurisdiction over Contech, the Receiver, the Purchaser, the Purchased Business or the Purchased Assets on behalf of any country, province, state, locality or other geographical or political subdivision thereof; or
- (b) exercising or entitled to exercise any administrative, judicial, legislative, regulatory or taxing authority or power with respect to the Purchased Business or Purchased Assets.

"Industrial Business" means the business of the development, manufacture and sale of pheromone adhesive traps and lures for the control or eradication of rodents and insects used in

the agriculture, forestry, apiculture, arboriculture markets including, without limitation, bed bug traps, yellow jacket and wasp traps, fruit fly traps, Japanese beetle traps, mosquito repellents and rodent lures and traps carried on by Contech in Canada and the United States of America as of the date hereof, and other activities related thereto.

"**Intellectual Property**" means domestic and foreign: (i) patents, applications for patents and reissues, divisions, continuations, renewals, extensions and continuations-in-part of patents or patent applications; (ii) proprietary and non-public business information, including inventions (whether patentable or not), invention disclosures, improvements, discoveries, trade secrets, confidential information, know-how, methods, processes, designs, technology, technical data, schematics, formulae and customer lists, and documentation relating to any of the foregoing; (iii) copyrights, copyright registrations and applications for copyright registration; (iv) mask works, mask work registrations and applications for mask work registrations; (v) designs, design registrations, design registration applications and integrated circuit topographies; (vi) trade names, business names, corporate names, domain names, website names and world wide web addresses, common law trade-marks, trade-mark registrations, trade mark applications, trade dress and logos, and the goodwill associated with any of the foregoing; (vii) software; and (viii) any other intellectual property and industrial property.

"**Garden Bed and Sandbox Business**" means the business of the development, manufacture and sale of raised bed gardens, sandboxes and other lawn and garden products, including, without limitation, Frame-It-All, Crayola sandbox and Birdies Garden Products carried on by Contech in Canada and the United States of America as of the date hereof, and other activities related thereto.

"**Leases**" means the all of the real property leases to which Contech is a party or which relate to the Purchased Assets including, without limitation, the leases entered into in connection with the properties located at the following addresses: (i) 115 - 119 Dallas Road, Victoria British Columbia; (ii) 314 Straight Street, SW, Grand Rapids, Michigan; (iii) 336 Straight Ave. SW, Grand Rapids, Michigan; (iv) 20 Columbus Street, Perth-Andover, New Brunswick, E7H 1T3; (v) Lot 137 District Lot 129 Group 2 New Westminster District Plan 61530, Delta, British Columbia.

"**Leased Properties**" means the lands and premises which are the subject of the Leases.

"**Liabilities**" means any and all debts, liabilities and obligations, whether accrued or fixed, absolute or contingent, matured or unmatured or determined or determinable, including those arising under any Applicable Law, Claim or Order, and those arising under any contract, agreement, arrangement, commitment or undertaking.

"**Nooski Agreement**" means the distributor agreement between Nooski Limited and Contech dated July 25, 2011.

"**Order**" means any order, decision, determination, judgment, injunction, decree, award or writ with respect to the Purchased Assets made by any court (including the Court), arbitrator or Governmental Authority, or other Person who has jurisdiction over the subject matter of the order, decision, determination, judgment, injunction, decree, award or writ.

"Person" means any individual, corporation, partnership, joint venture, limited liability company, association, trust, governmental body or any other entity or body.

"Pet Care Business" means the business of the development, manufacture and sale of products related to pet wellness and training carried on by Contech in Canada and the United States of America as of the date hereof, and other activities related thereto.

"Purchased Assets" has the meaning ascribed thereto in the Recitals.

"Purchased Business" means the Tanglefoot and Phero Tech Business, the Industrial Business and the Animal Repellant Business.

"Purchased Contracts" means all contracts, licences, leases, agreements, obligations, promises, undertakings, understandings, arrangements, documents, commitments, entitlements or engagements relating to the Purchased Assets, except for any contracts entered into in relation to the Industrial Business, as same may be amended and/or restated, and including any and all related quotations, orders, proposals or tenders which remain open for acceptance, warranties and guarantees and documents ancillary thereto.

"Purchaser's Solicitors" means Stikeman Elliott LLP.

"Receiver's Solicitors" means Borden Ladner Gervais LLP.

"SFU Liability" has the meaning ascribed thereto in Section 2.3.

"Tanglefoot and Phero Tech Business" means the business of the development, manufacture and sale of rodent and insect attractants, lures, repellents and barriers (adhesive or otherwise), tree care products and bird repellents carried on by Contech in Canada and the United States of America as of the date hereof, and other activities related thereto.

"Tax Act" means the *Income Tax Act*, R.S.C. 1985 (5th Supp.) c.1, as amended.

"Tax" or "Taxes" means any and all taxes including, without limitation, (i) any net income, alternative or add-on minimum tax, gross income, gross receipts, margin, gross margin, sales, use, value added, ad valorem, escheat or unclaimed property taxes (or similar), transfer, registration, estimated, franchise, profits, value added, net worth, capital stock, license, withholding, payroll, social security (or similar), employment, unemployment, disability, excise, severance, stamp, occupation, premium, property, environmental or windfall profit tax, custom, duty or other tax, governmental fee or other like assessment or charge of any kind whatsoever, together with any interest or any penalty, addition to tax or additional amount imposed by any Governmental Authority responsible for the imposition of any such tax (domestic or foreign), whether disputed or not, (ii) any Liability for the payment of any amounts of the type described in (i) as a result of being a member of an affiliated, consolidated, combined or unitary group for any taxable period or as the result of being a transferee or successor thereof and (iii) any Liability for the payment of any amounts of the type described in (i) or (ii) as a result of any express or implied obligation to indemnify any other Person.

2. OFFER TO PURCHASE THE PURCHASED ASSETS

2.1 By signing this Agreement and delivering it to the Receiver or the Receiver's Solicitors, the Purchaser hereby offers to purchase Contech's and the Receiver's right, title and interest in the Purchased Assets for the aggregate price of \$4,850,000 (the "Purchase Price") and will assume the SFU Liability (as defined below) on the terms and conditions set out in this Agreement (the "Offer").

2.2 Notwithstanding anything to the contrary in Section 2.1 or elsewhere in this Agreement, the Purchased Assets shall not include the Excluded Assets, which shall remain the property of Contech and nothing herein shall be deemed to sell, transfer, assign or convey the Excluded Assets.

2.3 Upon the terms and subject to the conditions set forth in this Agreement, the Purchaser shall: (i) assume the \$150,000 debt payable from Contech to Simon Fraser University (the "SFU Liability"); and (ii) assume and shall pay, discharge, honour and perform, from and after the Closing Date, the liabilities and obligations with respect to the Purchased Assets arising on or after the Closing Date and not related to any default existing prior to or as a consequence of the closing of the transaction contemplated by this Agreement (the "Assumed Liabilities"). The Purchaser shall not assume and shall have no obligation to discharge any liability or obligation under any contract or other agreement which is not assignable in whole or in part without the consent of the other party or parties to such contract or other agreement, unless such consent has been given or such assignment has been ordered by the Court.

2.4 For certainty, the Purchaser shall not, at Closing or otherwise, assume or be liable for the Excluded Liabilities or any other Liabilities of Contech whatsoever other than the SFU Liability and the Assumed Liabilities from and following the Closing Date.

2.5 This Offer may be accepted by delivery by the Receiver of a copy of this Agreement signed by the Receiver and the Purchaser to the Purchaser.

2.6 This Offer will remain open for acceptance until 11:59pm April 22, 2015 (Pacific Time), after which time it will be deemed to have been automatically withdrawn.

2.7 If this Offer is not accepted by the Receiver, the Offer will be extinguished and will no longer be binding on the Purchaser.

3. PURCHASE AND SALE OF THE PURCHASED ASSETS

3.1 Purchase and Sale. Upon delivery by the Receiver to the Purchaser of a signed copy of this Agreement executed by each of the Receiver and the Purchaser, this Agreement shall become a binding Agreement whereby the Receiver agrees to sell and transfer to the Purchaser or its designees, and the Purchaser agrees to purchase and to acquire directly or indirectly, the Receiver's right, title and interest in and to the Purchased Assets on the terms set out in this Agreement. The Purchaser is purchasing the Purchased Assets pursuant to the Approval and Vesting Order in fee simple, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or

monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise.

4. DEPOSIT AND PAYMENT

4.1 Purchase Price. The Purchase Price for the sale, assignment, transfer and conveyance of the Purchased Assets to the Purchaser shall be payable as set forth (all in Canadian Dollars):

- (a) \$500,000 (being 10% of the Purchase Price and the SFU Liability) by way of deposit (the "Deposit") payable to the Receiver upon delivery of this Agreement, executed by the Purchaser, to the Receiver; and
- (b) as to the balance of the Purchase Price (the "Unpaid Balance"), on the Closing Date.

4.2 Deposit. The Deposit which has been paid to the Receiver in accordance with Section 4.1(a), shall be dealt with as follows:

- (a) the Deposit shall be placed in an interest bearing trust account.
- (b) the Deposit and any interest earned thereon shall be paid to the Receiver:
 - (i) and credited to the Purchase Price at the Closing Date; or
 - (ii) as liquidated damages, if the Closing does not occur because the Purchaser breached any of its representations, warranties or covenants under this Agreement; the Parties hereby agreeing that the Deposit constitutes a genuine pre-estimate of the damages that will be suffered by the Receiver in such circumstances.
- (c) The Receiver acknowledges and agrees that it has no interest in the Deposit except the right to receive the Deposit in those certain circumstances described in paragraph (b) above. If the Closing does not occur for any reason other than a breach by the Purchaser of its representations, warranties or covenants under this Agreement, the full amount of the Deposit together with all accrued interest received by the Receiver, if any, shall be immediately returned to the Purchaser.
- (d) If the Receiver has not accepted the Purchaser's offer to purchase the Purchased Assets prior to 11:59pm (Pacific time) on April 22, 2015, then, consistent with Section 2.6 full amount of the Deposit together with all accrued interest received by the Receiver, if any, shall be immediately returned to the Purchaser.

5. TAX ELECTIONS

5.1 GST/HST. The Receiver and the Purchaser shall use their best efforts in good faith to minimize (or eliminate) any taxes payable under the *Excise Tax Act* (Canada) in respect of the Closing by, among other things, making such elections and taking such steps as may be provided for under that Act (including, for greater certainty, making a joint election in a timely manner

under Section 167 of that Act) as may reasonably be requested by the Purchaser in connection with the Closing.

5.2 Accounts Receivable. If applicable, the Receiver and the Purchaser shall execute an election as to the sale of any accounts receivable under section 22 of the *Tax Act* or any similar tax legislation in a manner consistent with the Purchase Price allocation to be agreed between the Purchaser or its designee and the Receiver pursuant to Section 12.2.

6. COVENANTS

6.1 Court Application. The Receiver shall, immediately upon the execution of this Agreement, make application to the Court for the Approval and Vesting Order. The Receiver shall use its best efforts to provide the Court with all necessary documents, forms, consents and other information the Court may require in order to obtain the Approval and Vesting Order as expeditiously as possible.

6.2 Access to Assets and Records. The Receiver shall forthwith make available to the Purchaser and its authorized representatives and provide copies thereof of all title documents, contracts, and all other documents, information and data relating to the Purchased Assets.

6.3 Assignment of Purchased Contracts. Subject to the conditions and terms hereof, at Closing, the Receiver shall assign to the Purchaser all of the Receiver's rights, benefits and interests in and to the Purchased Contracts and the Purchaser shall assume the obligations and liabilities of the Receiver under the Purchased Contracts at Closing. Notwithstanding the foregoing, this Agreement and any document delivered under this Agreement shall not constitute an assignment or an attempted assignment of any Purchased Contract contemplated to be assigned to the Purchaser under this Agreement that is not assignable without the Consent and Approval of a third party unless (i) such Consent and Approval has been obtained or (ii) the assignment has been ordered by the Court.

Prior to the application for the Approval and Vesting Order, the Purchaser shall use its commercially reasonable efforts to obtain any Consent and Approval necessary for the assignment of any Purchased Contract to the Purchaser. The Receiver shall provide its reasonable cooperation to assist the Purchaser in obtaining any such Consents and Approvals.

7. CONDITIONS PRECEDENT

7.1 The obligation of the Receiver to complete the sale of the Purchased Assets contemplated by this Agreement and of the Purchaser to complete the purchase of the Purchased Assets as contemplated by this Agreement are subject to the satisfaction of each of the following conditions (the "Conditions Precedent") by the dates set forth below, and if no dates are set forth then by or at the Closing Date:

- (a) **Representations and Warranties.** All representations and warranties of the Receiver and the Purchaser contained in this Agreement shall be true and correct as at the Closing Date with the same force and effect as if made at and as of such time;

- (b) Compliance with Covenants. The Receiver shall have complied with and performed in all material respects all of its covenants and obligations contained in this Agreement required to be performed by it prior to or by the Closing Date;
- (c) Approval and Vesting Order. The Receiver shall have obtained the Approval and Vesting Order by no later than April 30, 2015;
- (d) No Actions or Proceedings. As of the Closing Date, no appeal of, motion to vary, stay or vacate, or, motion for leave to appeal the Approval and Vesting Order shall be outstanding, pending by any Person (not including the Purchaser) or any Governmental Authority;
- (e) No Orders. As of the Closing Date, no order or direction shall have been made by any Governmental Authority which would have the effect of prohibiting or preventing the sale of the Purchased Assets to the Purchaser;
- (f) Intellectual Property Assignments. The Purchaser or its designee shall have entered into fully executed assignment and assumption agreements in relation to the assignment of: (i) the NSERC Industrial Research Chair and Intellectual Property Agreement by and among Contech Enterprises, Inc., Simon Fraser University, and Professor Gerhard J. Gries dated March 1, 2014; (ii) the NSERC Industrial Research Chair and Intellectual Property Agreement by and among Contech Enterprises, Inc., Simon Fraser University, and Professor Gerhard J. Gries dated October 13, 2009; and (iii) the NSERC Industrial Research Chair and Intellectual Property Agreement by and among Contech Enterprises, Inc., Simon Fraser University, and Professor Gerhard J. Gries dated February 17, 2004;
- (g) Technology Licence Agreement. The Purchaser or its designee shall have entered into a worldwide, exclusive technology license agreement with Simon Fraser University in a form and with a royalty rate that are acceptable to the Purchaser, acting reasonably;
- (h) Employment Agreement. The Purchaser or its designee shall have entered into an employment agreement with Jean LaFontaine in a form acceptable to the Purchaser, acting reasonably;
- (i) Closing Deliverables. The Receiver shall have delivered or caused to be delivered to the Purchaser all items referred to in Section 11.1 and the Purchaser shall have delivered or caused to be delivered to the Purchaser all items referred to in Section 11.2;

The foregoing conditions are inserted for the mutual benefit of the Receiver and the Purchaser and may be waived in whole or in part only if jointly waived in writing by the Receiver and the Purchaser at or prior to the applicable time set for the satisfaction of such conditions.

8. REPRESENTATIONS AND WARRANTIES OF THE RECEIVER

8.1 The Purchaser acknowledges that it is acquiring the Purchased Assets on an "as is, where is" basis, without representation and warranty and without reliance on any information provided to the Purchaser by or on behalf of the Receiver, except that the Receiver makes the following representations and warranties to the Purchaser:

- (a) Due Authorization, Approvals and Consents. Subject to obtaining the Approval and Vesting Order: (i) the Receiver has been appointed as receiver of the undertaking, property and assets of Contech, including the right, title and interest of Contech in and to the Purchased Assets; (ii) the Receiver has the authority to assign, transfer and convey the Purchased Assets to the Purchaser in the manner contemplated herein; and (iii) this Agreement and all other agreements, documents and instruments required to be delivered by the Receiver hereunder have been duly executed and delivered by the Receiver and constitute and will constitute legal, valid and binding obligations of the Receiver, enforceable in accordance with their terms;
- (b) No Actions or Proceedings. To the knowledge of the Receiver, there is no action, suit, proceeding or Claim against Contech or the Receiver that is pending or, to the Receiver's knowledge, threatened against Contech or the Receiver in any court or by or before any Governmental Authority that would adversely affect the Receiver's ability to perform its obligations under this Agreement on a timely basis;
- (c) No Other Agreements. Except for the Purchaser, no Person has or will have a written or oral agreement for the purchase or license from the Receiver of any of the Purchased Assets;
- (d) Taxes. The Receiver and, to the Receiver's knowledge, Contech have, in accordance with applicable law, invoiced, collected, withheld, reported and remitted to the appropriate taxing authority (within the time prescribed) all: (i) sales, transfer, use customs, goods and services and other taxes, including any interest or penalties thereon, which are due and payable by the Receiver or, to the Receiver's knowledge, Contech; (ii) withholding, payroll or employment taxes, employment insurance, Canada Pension Plan and provincial pension plan contributions and other deductions at source as required by applicable law; and (iii) all non-resident withholding taxes as required by applicable law. The Receiver is a registrant for the purposes of the tax imposed under Part IX of the *Excise Tax Act* (Canada), and its registration number is 12289 3605. The Receiver is not a non-resident of Canada within the meaning of the Tax Act; and

9. REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

9.1 The Purchaser represents and warrants to the Receiver as follows, with the intent that the Receiver shall rely thereon in entering into this Agreement and in concluding the purchase and sale contemplated herein:

- (a) Formation and Good Standing. The Purchaser is a corporation duly incorporated, validly existing and organized and in good standing under the laws of its incorporating jurisdiction, and has the corporate power and capacity to enter into this Agreement and to carry out its terms;
- (b) Authority to Purchase. The execution and delivery of this Agreement and the completion of the transaction contemplated herein shall by the Closing Date be duly and validly authorized by all necessary corporate action on the part of the Purchaser, and this Agreement will constitute a legal, valid and binding obligation of the Purchaser enforceable against the Purchaser in accordance with its terms;
- (c) Absence of Legal Conflict. Neither the execution and delivery of this Agreement by the Purchaser, nor the performance of this Agreement by the Purchaser and the consummation by the Purchaser of the transactions contemplated by this Agreement will:
 - (i) conflict with or violate the constituting documents of the Purchaser or any resolution of either of its directors or shareholders;
 - (ii) conflict with or violate any law, rule, regulation, permit, Order, judgment or decree applicable to the Purchaser or by which its properties are bound or affected, the conflict with which or violation of which would prohibit or materially delay the Purchaser's ability to perform its obligations under this Agreement; or
 - (iii) result in any breach of or constitute a default (or an event which with notice or lapse of time or both would become a default) under any agreement to which the Purchaser is a party or by which the Purchaser or any of its properties is bound or affected and which would prohibit or materially delay the Purchaser's ability to perform its obligations under this Agreement.
- (d) the Purchaser is or will be registered under Part IX of the *Excise Tax Act* (Canada) on or before the Closing Date.

10. SURVIVAL OF REPRESENTATIONS AND WARRANTIES

10.1 The representations and warranties made by each of the Receiver and the Purchaser in this Agreement will merge on Closing and not survive.

10.2 PURCHASER'S ACKNOWLEDGEMENT

10.3 The Purchaser hereby expressly acknowledges and agrees that:

- (a) the Receiver is acting only in its representative capacity as Court-appointed receiver over the Purchased Assets and not in its personal capacity and shall have no liability under or as a result of entering into or carrying out the transaction which is the subject of this Agreement;

- (b) the Purchaser must make its own arrangements to support this Agreement in Court;
- (c) if the Court vacates, sets aside or varies any Order approving this Agreement, or does not approve the Agreement or the Approval and Vesting Order, for any reason whatsoever, then the Receiver shall not be liable to the Purchaser or any other person in any way whatsoever;
- (d) the Purchaser has relied entirely upon its own inspection and investigation of all matters in respect of the Purchased Assets;
- (e) the Receiver has not made and will not make any warranty or representation in relation to the Purchased Assets including any warranty or representation as to the fitness, design, condition or quality of the Purchased Assets;
- (f) no representation, warranty or condition is expressed by the Receiver or can be implied as to title or encumbrances to the Purchased Assets, or in respect of any other matter or thing whatsoever concerning the Purchased Assets or the right of the Receiver to sell or assign same save and except as expressly represented or warranted in Section 8.1; and
- (g) without limiting the generality of the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to the *Sale of Goods Act* (British Columbia) or similar legislation in British Columbia or any other jurisdiction do not apply hereto and have in any event been waived by the Purchaser.

11. DELIVERY OF CLOSING DOCUMENTS

11.1 Receiver's Closing Documents. On the Closing Date, the Receiver will deliver the following to the Purchaser's Solicitor:

- (a) a copy of the Approval and Vesting Order;
- (b) the Receiver's Certificate (as defined in the Approval and Vesting Order) executed by the Receiver;
- (c) all files, documents, and other materials (including all materials located in the Dataroom) relating to the Purchased Assets that are in the possession of or accessible by the Receiver;
- (d) short-form Intellectual Property assignment document(s) to confirm the assignment and transfer of any registered IP and material non-registered IP being assigned from Conftech to the Purchaser or its designee as part of the Purchased Assets;
- (e) all such other assurances, consents, agreements, documents and instruments as may be reasonably required to transfer the Purchased Assets to the Purchaser as contemplated in this Agreement.

11.2 Purchaser's Closing Documents. On the Closing Date, the Purchaser will deliver the following to the Receiver's Solicitors in a form acceptable to the Receiver, acting reasonably:

- (a) an irrevocable direction from the Purchaser authorizing the Receiver's Solicitors to release the Deposit to or as directed by the Receiver;
- (b) payment of the Unpaid Balance; and
- (c) all such other assurances, consents, agreements, documents and instruments as may be reasonably required to transfer the Purchased Assets to the Purchaser as contemplated in this Agreement.

12. TAXES AND FEES

12.1 The Purchaser shall be solely responsible for payment of all applicable federal, provincial and municipal sales and transfer taxes properly payable by the Purchaser in connection with the Purchaser's acquisition of the Purchased Assets including, without limitation, goods and services tax, retail sales tax and social services tax, but for greater certainty excluding any taxes based on Contech or the Receiver's income."

12.2 At or prior to Closing, the Receiver and the Purchaser or its designee will agree on an allocation of the Purchase Price between the Purchased Assets.

13. RISK

13.1 The Purchased Assets will be at the risk of Receiver up until the Closing Date. From and including the Closing Date the Purchased Assets will be at the risk of the Purchaser.

14. TERMINATION

This Agreement may, by notice in writing given at or prior to the completion of the transaction, be terminated:

- (a) by mutual consent of the Receiver and the Purchaser;
- (b) by the Purchaser if any of the conditions precedent in Section 7.1 have not been satisfied on or before the time specified for the satisfaction of such condition and the Purchaser has not waived such condition;
- (c) by the Receiver if any of the conditions in Section 7.1 have not been satisfied on or before the time specified for the satisfaction of such condition and the Receiver has not waived such condition;
- (d) by the Purchaser if the Closing has not occurred on or prior to May 1, 2015, or on or before such later date as the parties agree to in writing,

provided that a party may not terminate this Agreement pursuant to this Section if it has failed to perform any one or more of its obligations or covenants under this Agreement and the Closing has not occurred because of such failure.

15. MISCELLANEOUS

15.1 Severability. If any term, covenant or condition of this Agreement or the application thereof to any person or circumstance shall, to any extent, be held to be invalid or unenforceable, the remainder of this Agreement, or the application of that term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant and condition of this Agreement shall be valid and enforced to the fullest extent permitted by law.

15.2 Further Assurances. Each party, upon receipt of notice by another party, shall sign (or cause to be signed) all further documents, do (or cause to be done) all further acts, and provide all reasonable assurances as may reasonably be necessary or desirable to give effect to the terms of this Agreement. Without limiting the foregoing, upon reasonable request, the Receiver shall provide to the Purchaser information and documents which are within its possession or control and are necessary or desirable for the Purchaser to register, enforce, and defend its rights in the Purchased Assets. The Purchaser shall have a period of up to 60 days to take possession of any Purchased Assets situate on any Leased Properties and the Receiver shall take all actions required (including with respect to securing the cooperation of the Landlords of the Leased Properties) to allow the Purchaser to take possession of such Purchased Assets.

15.3 Notice. Any notices, requests or demands which may or are required to be given or made hereunder shall be in writing and served personally addressed:

if to the Receiver, to:

Deloitte Restructuring Inc.
2800 - 1055 Dunsmuir Street
4 Bentall Centre
P.O. Box 49279
Vancouver British Columbia
V7X 1P4
Fax: 604-602-1583

with a copy to:

Borden Ladner Gervais LLP
1200 Waterfront Centre
200 Burrard Street, P.O. Box 48600
Vancouver, British Columbia
V7X 1T2
Fax: 604-622-4198
Attention: Magnus C. Verbrugge

and if to the Purchaser, to:

The Scotts Company LLC

The Scotts Company LLC
14111 Scottslawn Road Marysville
Ohio 43041 USA
Fax: 937-644-7568
Attention: General Counsel

with a copy to:
Stikeman Elliott LLP
5300 Commerce Court West
199 Bay Street
Toronto, Ontario
M5L 1B9
Fax: 416-947-0866
Attention: Stewart Sutcliffe

15.4 Entire Agreement. This Agreement constitutes the entire agreement between the parties and there are no representations or warranties, express or implied, statutory or otherwise and no agreements collateral hereto other than as expressly set forth or referred to herein.

15.5 Time of Essence. Time, where mentioned in this Agreement, shall be of the essence.

15.6 Currency. Unless otherwise expressly provided herein, all sums of money referred to in this Agreement are expressed in Canadian Dollars.

15.7 Interpretation. Wherever the singular or masculine is used in this Agreement, references to plural, feminine and body corporate shall be construed as necessary.

15.8 Governing Law. This Agreement shall be governed by all and interpreted in accordance with the laws of the Province of British Columbia.

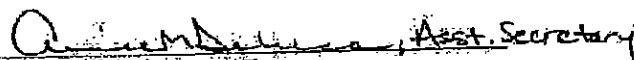
15.9 Execution in Counterpart. This Agreement may be executed in counterparts and the parties hereto may evidence their execution of this Agreement by facsimile or other electronic transmission.

15.10 Successors and Assigns. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

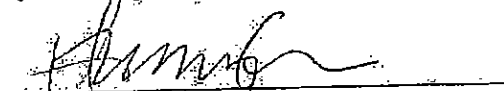
[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their proper and duly authorized officers as of the date first above written.

Scotts Canada Ltd. by its authorized signatory:


Date: 4-15-15

Deloitte Restructuring Inc.
in its capacity as Court-appointed receiver of the
assets and undertakings of Contech Enterprises
Ltd. and not in its personal capacity, by its
authorized signatory:


Date: 17 APRIL 2015

HUO LEE
SENIOR VICE PRESIDENT

SCHEDULE "A" TO PURCHASE AND SALE AGREEMENT
PURCHASED ASSETS

See attached

SCHEDULE "A" TO PURCHASE AND SALE AGREEMENT

PURCHASED ASSETS

1. Equipment. All laboratory and manufacturing equipment, whether leased or owned by Contech, situated or used at the Leased Properties other than the properties located at: (i) 314 Straight Street, SW, Grand Rapids, Michigan; or (ii) 336 Straight Ave. SW, Grand Rapids, Michigan or otherwise used or required for the conduct of the Purchased Business.
2. Blister Pack Production Machine. The blister pack production machine used to manufacture lures.
3. Universal Product Codes. All of the Universal Product Codes related to the Purchased Business.
4. Marketing Materials. All of Contech's catalogues, art work and other marketing materials related to the Purchased Business.
5. Environmental Protection Agency Registrations. All of Contech's Environmental Protection Agency registrations related to the Purchased Business.
6. Inventory. All of the inventory and works-in-progress related to the Purchased Business.
7. Intellectual Property. All Intellectual Property including relating to the following technologies:
 - a. mosquito repellents;
 - b. rodent attractants; and
 - c. pheromone technology, including but not limited to verbenone;

including, but not limited to the following trademarks and patents:

Trademarks

<u>Trademark</u>	<u>Country</u>	<u>Appl. No.</u>	<u>Reg. No.</u>	<u>Status</u>
Better Products for A Better World	Canada	1 404 081	TMA 749533	Registered
CATSTOP	Canada	1,220,621	TMA 693875	Registered
CATSTOP	USA	78502664	3045478	Registered
Phero Tech	Canada	642745	TMA 408961	Registered
Pherobear (chemicals to detect estrus in pigs)	Canada	1324199	TMA 712551	Registered
Pherobear (chemicals to detect estrus in pigs)	USA	77/053469	3786546	Registered

Trademark	Country	Appl. No.	Reg. No.	Status
Pheromate (chemicals used to encourage mating behaviour and the production of semen in male pigs)	Canada	1343708	TMA 711208	Registered
Pheromate (chemicals used to encourage mating behaviour and the production of semen in male pigs)	USA	77/159984	3578441	Registered
Pherotrap	Canada	1335821	TMA 735,822	Registered
"Rainforest" and Heart with Leaf Design	Canada	1476692	TMA 788331	Registered
"Rainforest" and green heart shape logo	USA	85016302	3983810	Registered
SCARECROW (electronic animal repellent in the nature of a motion-activated sprinkler)	USA	75002967	2072647	Registered
SLUGSAWAY	Canada	1292223	TMA 689156	Registered
SLUGSAWAY	USA	78/962912	3407323	Registered
SQUIRRELSTOP (electromechanical devices for preventing squirrels or other animals from accessing bird seed in feeders)	USA	78502707	3028461	Registered
SUPER BOOST	USA	77832619	3951711	Registered
Superboost	Canada	1452613	TMA 774183	Registered
TANGLEFOOT	Canada	130446	TMDA 40558	Registered
TANGLEFOOT	USA	72/272,990	0,851,266	Registered
TANGLE-TRAP	USA	74/306,592	1,762,272	Registered
THE ORIGINAL WASPINATOR	Canada	1254894	TMA 663826	Registered
TREE TANGLEFOOT PEST BARRIER	USA	74/439,050	1,970,746	Registered

Domain Names

Domain	Date Renewed	Expiry Date
barkbeetle.ca	2012-10-05	2016-06-02
contchelectronics.com	2012-11-11	2016-10-30
contech-	2013-12-09	2019-03-09

Domain	Date Renewed	Expiry Date
enterprises.com	2013-12-09	2019-03-06
contech-inc.com	2014-03-03	2015-04-15
epicorforpets.com	2012-11-11	2014-09-11
pherotech.com	2013-12-09	2019-03-28
pherotechinc.com	2012-11-11	2016-05-16
tanglefoot.com	2012-10-04	2014-10-21
waspinator.com		

Canadian Patents

Patent No. (Application No.)	Title	Owner(s)	Status
(2734997)	RE-USABLE BAG TRAP FOR INSECTS	CONTECH ENTERPRISES INC.	Abandoned - can be reinstated by 2015-09-10
2682179	ALLYL SULFIDE COMPOUNDS, AND COMPOSITIONS AND METHODS USING SAID COMPOUNDS FOR REPELLING BLOOD-FEEDING ARTHROPODS	CONTECH ENTERPRISES INC.	Issued 2013-05-14
2676382	METHOD AND COMPOSITION FOR ATTRACTING FRUIT FLIES TO TRAPS	CONTECH ENTERPRISES INC.	Issued 2014-11-18
2661069	STABILIZED BROOD PHEROMONE FOR MANIPULATING THE BEHAVIOR AND PHYSIOLOGY OF HONEY BEES	THE TEXAS A&M UNIVERSITY SYSTEM; CONTECH ENTERPRISES INC.	Issued 2012-04-24
2504396	WASP REPELLENT DEVICE	CONTECH ENTERPRISES INC.	Maintenance fee due April 13, 2015 - confirm whether

			paid
--	--	--	------

United States of America Patents

Patent No. (Application No.)	Title	Owner(s)	Status
8,940,287	METHOD AND COMPOSITION FOR ATTRACTING FRUIT FLIES TO TRAPS	CONTECH ENTERPRISES INC.	Issued 2015-01-27
8,889,731	COMPOUNDS, COMPOSITIONS AND METHODS FOR REPELLING BLOOD-FEEDING ARTHROPODS AND DETERRING THEIR LANDING AND FEEDING	CONTECH ENTERPRISES INC.	Issued 2014-11-18
7,913,638	WASP REPELLENT DEVICE	CONTECH ENTERPRISES INC.	Issued 2011-03-29
7,744,280	WASP REPELLENT DEVICE	CONTECH ENTERPRISES INC.	Issued 2010-06-29
7,727,517	STABILIZED BROOD PHEROMONE FOR MANIPULATING THE BEHAVIOR AND PHYSIOLOGY OF HONEY BEES	THE TEXAS A&M UNIVERSITY SYSTEM; CONTECH ENTERPRISES INC.	Issued 2010-06-01
6,191,693	CATSTOP-ELECTRONIC ANIMAL DETERRENT FOR PROTECTING AN AREA	CONTECH ENTERPRISES INC.	Issued 2001-02-20
6,016,100	CATSTOP-ELECTRONIC ANIMAL DETERRENT FOR PROTECTING AN AREA	CONTECH ENTERPRISES INC.	Issued 2000-01-18
5,878,956	WATER CONSERVING SPRINKLER UNIT	CONTECH ELECTRONICS/BURMAN	Issued 1999-03-09
5,677,155	PROCESS FOR PREPARING THE SEX PHEROMONE OF LYMANTRIA DISPAR L	CONTECH ENTERPRISES, INC.	Issued 1997-10-14
(14/402,752)	METHODS AND APPARATUS FOR ATTRACTING RATS	CONTECH ENTERPRISES INC.	Pending
(13/548,319)	METHODS OF MONITORING AND CONTROLLING THE WALNUT TWIG BEETLE,	CONTECH ENTERPRISES, INC.	Pending

	PITYOPHTHORUS JUGLANDIS		
(13/120,543)	COMPOUNDS AND METHODS FOR REPELLING BLOOD-FEEDING ARTHROPODS AND DETERRING THEIR LANDING AND FEEDING		Non-Final Rejection mailed November 17, 2014
(13/063,644)	WINDOW FLY TRAP	CONTECH ENTERPRISES INC.	Final Rejection mailed 2014-12-18
(12/774,186)	Stabilized Synthetic Brood Pheromone and Race-Specific Ratios of Components for Manipulating the Behavior and Physiology of Honey Bees	CONTECH ENTERPRISES INC.; THE TEXAS A&M UNIVERSITY SYSTEM	Notice of Allowance mailed 2015-04-13
(62/018,465)	Provisional Application (serves as priority document for PCT/CA2014/051218)		Filed June 27, 2014

Other Countries Patents

Country	Patent No. (Application No.)	Title	Owner(s)	Status
Brazil	(PI 0621901-2)	STABILIZED SYNTHETIC BROOD PHEROMONE FOR MANIPULATING THE BEHAVIOUR AND PHYSIOLOGY OF HONEY BEES	CONTECH ENTERPRISES INC.; The Texas A&M University System	Cannot confirm status online
Europe	2061455	STABILIZED SYNTHETIC BROOD PHEROMONE FOR MANIPULATING THE BEHAVIOUR AND PHYSIOLOGY OF HONEY BEES	CONTECH ENTERPRISES INC.; The Texas A&M University System	Granted
France	2061455	STABILIZED SYNTHETIC BROOD PHEROMONE FOR MANIPULATING THE BEHAVIOUR AND PHYSIOLOGY OF HONEY BEES	CONTECH ENTERPRISES INC.; The Texas A&M University System	Granted

Germany	2061455	STABILIZED SYNTHETIC BROOD PHEROMONE FOR MANIPULATING THE BEHAVIOUR AND PHYSIOLOGY OF HONEY BEES	CONTECH ENTERPRISES INC.; The Texas A&M University System	Granted
Italy	72441/BE/2013	STABILIZED SYNTHETIC BROOD PHEROMONE FOR MANIPULATING THE BEHAVIOUR AND PHYSIOLOGY OF HONEY BEES	CONTECH ENTERPRISES INC.; The Texas A&M University System	Granted
Spain	2061455	STABILIZED SYNTHETIC BROOD PHEROMONE FOR MANIPULATING THE BEHAVIOUR AND PHYSIOLOGY OF HONEY BEES	CONTECH ENTERPRISES INC.; The Texas A&M University System	Granted
Mexico	(Mx/a/2009/002591)	STABILIZED SYNTHETIC BROOD PHEROMONE FOR MANIPULATING THE BEHAVIOUR AND PHYSIOLOGY OF HONEY BEES	CONTECH ENTERPRISES INC.; The Texas A&M University System	Cannot confirm status online
Turkey	TR 2009 01426 B	STABILIZED SYNTHETIC BROOD PHEROMONE FOR MANIPULATING THE BEHAVIOUR AND PHYSIOLOGY OF HONEY BEES	CONTECH ENTERPRISES INC.; The Texas A&M University System	Cannot confirm status online

Under the PCT Patents

Application No.	Title	Owner(s)
PCT/CA2014/051218	COMPOUNDS, COMPOSITIONS AND METHODS FOR ATTRACTING AND/OR ARRESTING BED BUGS	Unknown
Filed December 16, 2014 Application not yet published 30 months: June 17, 2016		
PCT/CA2014/050435	NEW COMPOSITIONS AND METHODS FOR ATTRACTING AND STIMULATING FEEDING BY MICE AND RATS	CONTECH ENTERPRISES INC.
30 months: November 22, 2015		

ISR published		
PCT/CA2013/050397	METHODS AND APPARATUS FOR ATTRACTING RATS	CONTECH ENTERPRISES INC.
Expired NPE in: US Patent Application No. 14/402,752 (described above)		
PCT/CA2012/000638	COMPOSITIONS AND METHODS FOR ATTRACTING AND STIMULATING FEEDING BY MICE AND RATS	CONTECH ENTERPRISES INC.
Expired No active NPE applications		
PCT/CA2011/000028	APPARATUS AND METHOD FOR DELIVERING HONEY BEE BROOD PHEROMONE INTO A HIVE	CONTECH ENTERPRISES INC.
Expired No active NPE applications		

SCHEDULE "B" TO PURCHASE AND SALE AGREEMENT
FORM OF APPROVAL AND VESTING ORDER

THE APPLICATION of Deloitte Restructuring Inc., in its capacity as Court-appointed Receiver (the "Receiver") of the assets, undertakings and properties of Contech Enterprises Inc. (the "Debtor") coming on for hearing at Vancouver, British Columbia, on the [·] day of April, 2015; AND ON HEARING Magnus Verbrugge, counsel for the Receiver, and those other counsel listed on Schedule "A" hereto; AND UPON READING the material filed;

THIS COURT ORDERS AND DECLARES THAT:

1. The sale transaction (the "Transaction") contemplated by the Asset Purchase Agreement dated April [·] (the "Sale Agreement") between the Receiver and [·] (the "Purchaser"), a copy of which is attached as Schedule "B" hereto is hereby approved, and the Sale Agreement is commercially reasonable. The execution of the Sale Agreement by the Receiver is hereby authorized and approved, and the Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance to the Purchaser of the assets described in the Sale Agreement as the "Purchased Assets".
2. Upon delivery by the Receiver to the Purchaser of a certificate substantially in the form attached as Schedule "C" hereto (the "Receiver's Certificate"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in the Purchaser in fee simple, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of this Court dated [·]; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of British Columbia or any other personal property registry system; and (iii) those Claims listed on Schedule "D" hereto (all of which are collectively referred to as the "Encumbrances"), and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.
3. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Receiver's Certificate all Claims shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having had possession or control immediately prior to the sale.

4. The Receiver is to file with the Court a copy of the Receiver's Certificate forthwith after delivery thereof.
5. Pursuant to Section 7(3)(g) of the Canada *Personal Information Protection and Electronic Documents Act* or Section 18(10)(c) of the *Personal Information Protection Act* of British Columbia, the Receiver is hereby authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the company's records pertaining to the Debtor's past and current employees, including personal information. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.
6. Subject to the terms of the Sale Agreement, vacant possession of the Purchased Assets, including any real property, shall be delivered by the Receiver to the Purchaser at 12:00 noon on the Closing Date (as defined in the Sale Agreement).
7. The Receiver, with the consent of the Purchaser, shall be at liberty to:
 - (a) extend the Closing Date to such later date as those parties may agree; and
 - (b) make such amendments to the Sale Agreement as those parties consider necessary or desirable;without the necessity of a further Order of this Court.
8. Notwithstanding:
 - (a) these proceedings;
 - (b) any applications for a bankruptcy order in respect of the Debtor now or hereafter made pursuant to the *Bankruptcy and Insolvency Act* and any bankruptcy order issued pursuant to any such applications; and
 - (c) any assignment in bankruptcy made by or in respect of the Debtor,

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

9. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body, wherever located, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make

such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

10. The Receiver or any other party have liberty to apply for such further or other directions or relief as may be necessary or desirable to give effect to this Order.

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:

SCHEDULE "A" TO APPROVAL AND VESTING ORDER

Counsel List

SCHEDULE "B" TO APPROVAL AND VESTING ORDER

Purchase and Sale Agreement

SCHEDULE "C" TO APPROVAL AND VESTING ORDER

Receiver's Certificate

SCHEDULE "D" TO APPROVAL AND VESTING ORDER

Expunged Encumbrances / Claims

Schedule C

Form of Receiver's Certificate

No. S-152303
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

HSBC BANK CANADA

PLAINTIFF

AND:

CONTECH ENTERPRISES INC., BUSINESS DEVELOPMENT BANK OF CANADA,
LAUREL RAYANI, CARY GREGORY, JANET GREGORY, JULIEN SELLGREN,
JANET SHANNON, MARK GRAMBART, BURMAN AND BURMAN CORP.,
MICHAEL BRENNER, ANDERS TREIBERG, ELISABETH TREIBERG, MINZAR
HOLDINGS LTD., 0872951 B.C. LTD., FIRST WEST CREDIT UNION, VEGHERB,
LLC, SADLER FARMS LTD., PAUL HOOPER, MARIANNE HOOPER, BC
ADVANTAGE FUNDS (VCC) LTD., ECL HOLDINGS LTD., ST. PATRICK HOLDINGS
LTD., BWF HOLDINGS LTD. and DENMAN ISLAND CHOCOLATE LTD.

DEFENDANTS

RECEIVER'S CERTIFICATE


RECITALS

- A. Pursuant to the Order of the Court dated March 20, 2015, Deloitte Restructuring Inc. was appointed as receiver and manager (the "Receiver") of the assets, collateral and undertaking of the Contech Enterprises Inc.
- B. Pursuant to an Order of the Court dated April ~~(20)~~, 2015 (the "Approval and Vesting Order"), the Court approved the Asset Purchase and Sale Agreement dated April 15, 2015 (the "Contract") between the Receiver and Scotts Canada Ltd. (the "Purchaser") providing for the vesting in the Purchaser all of the Petitioner's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery to the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section ~~(2)~~ of the Contract have

been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

- C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Approval and Vesting Order or the Contract, as applicable

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Contract;
2. The conditions to Closing set out in section  of the Contract have been satisfied or waived by the Receiver and the Purchaser; and,
3. The Transaction has been completed to the satisfaction of the Receiver.

This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

**DELOITTE RESTRUCTURING INC., in its
capacity as receiver and manager of Contech
Enterprises Inc.**

Per: _____

Name:

Title:

No. S-152303
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

HSBC BANK CANADA

PLAINTIFF

AND:

CONTECH ENTERPRISES INC., BUSINESS DEVELOPMENT BANK OF CANADA,
LAUREL RAYANI, CARY GREGORY, JANET GREGORY, JULIEN SELLGREN,
JANET SHANNON, MARK GRAMBART, BURMAN AND BURMAN CORP.,
MICHAEL BRENNER, ANDERS TREIBERG, ELISABETH TREIBERG, MINZAR
HOLDINGS LTD., 0872951 B.C. LTD., FIRST WEST CREDIT UNION, VEGHERB,
LLC, SADLER FARMS LTD., PAUL HOOPER, MARIANNE HOOPER, BC
ADVANTAGE FUNDS (VCC) LTD., ECL HOLDINGS LTD., ST. PATRICK HOLDINGS
LTD., BWF HOLDINGS LTD. and DENMAN ISLAND CHOCOLATE LTD.

DEFENDANTS

ORDER MADE AFTER APPLICATION

APPROVAL AND VESTING ORDER

MCV/LCH

560836.000001

BORDEN LADNER GERVAIS LLP

1200 - 200 Burrard Street

P.O. Box 48600

Vancouver, BC V7X 1T2

Telephone: (604) 687-5744

Attn: Magnus C. Verbrugge and Lisa Hiebert

APPENDIX C

**INTELLECTUAL PROPERTY PURCHASE AND SALE AGREEMENT DATED MAY
12, 2015**

PURCHASE AND SALE AGREEMENT

This agreement (this "Agreement") dated as of the 12th day of May, 2015

BETWEEN:

VegHerb, LLC, a limited liability company organized and existing under the laws of the State of New York, having its principal place of business at 10 Gedney Circle White Plains, NY 10605 in trust for a company to be incorporated,

(the "Purchaser")

AND:

Deloitte Restructuring Inc., in its capacity as court-appointed receiver over the assets, undertakings and properties of Contech Enterprises Inc., and not in its personal capacity

(The "Receiver")

WHEREAS:

A. On March 20, 2015, on the application of HSBC Bank Canada, the Supreme Court of British Columbia (the "Court") in Action Number S152303, Vancouver Registry (the "Receivership Proceedings"), appointed the Receiver to act as receiver over the assets, undertakings and properties of Contech Enterprises Inc. ("Contech").

B. Contech is the owner of or has certain interests in the property, rights and interests listed on Schedule "A" hereto (the "Assets").

C. The Receiver wishes to sell and the Purchaser wishes to purchase the Assets, subject to and in accordance with the terms and conditions hereof.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the covenants and agreements herein contained the parties hereto agree as follows:

1. DEFINED TERMS

Capitalized terms used but not otherwise defined herein shall have the following meanings:

"Approval and Vesting Order" means an Order of the Court in the Receivership Proceedings, as required, substantially in form attached as Schedule "B" hereto and as may be amended with the consent of the Receiver and Purchaser acting reasonably;

"Business Day" means a day other than a Saturday, a Sunday or a statutory holiday in British Columbia.

"Canadian Dollars" means the lawful currency of Canada.

"Closing" means the completion of the purchase and sale of the Assets in accordance with the provisions of this Agreement.

"Closing Date" means the 2nd Business Day following the day on which the Approval and Vesting Order is obtained, or such other time and date as may be agreed upon in writing by Receiver and Purchaser, acting reasonably.

"Governmental Authority" means any government, regulatory authority, governmental department, agency, commission, bureau, court, judicial body, arbitral body or other law, rule or regulation making entity:

- (a) having jurisdiction over Contech, the Receiver, the Purchaser or the Assets on behalf of any country, province, state, locality or other geographical or political subdivision thereof; or
- (b) Exercising or entitled to exercise any administrative, judicial, legislative, regulatory or taxing authority or power with respect to the Assets.

"Order" means any order, decision, determination, judgment, injunction, decree, award or writ with respect to the Assets made by or any court (including the Court), arbitrator or Governmental Authority, or other Person who has jurisdiction over the subject matter of the order, decision, determination, judgment, injunction, decree, award or writ.

"Person" means any individual, corporation, partnership, joint venture, limited liability company, association, trust, governmental body or any other entity or body.

"Purchaser's Solicitors" means PENN & ASSOCIATES, LLP, 260 Madison Avenue, Floor 21, New York, New York 10016-2401 (USA) (212) 661-5700, cpenn@cpenalaw.com (attention Craig E. Penn, Esq.

"Receiver's Solicitors" means Borden Ladner Gervais LLP.

2. OFFER TO PURCHASE THE ASSETS

2.1 By signing this Agreement and delivering it to the Receiver or the Receiver's Solicitors, the Purchaser hereby offers to purchase Contech's and the Receiver's right, title and interest in the Assets for the aggregate price of CAD \$700,000 (the "Purchase Price") on the terms and conditions set out in this Agreement (the "Offer"), the Purchase Price to be allocated between specific Assets or classes / types of Assets as follows:

SPECIFIC ASSET or ASSET CLASS / TYPE	PURCHASE PRICE
<ul style="list-style-type: none"> • All intellectual property, including patents, in connection with the Frame It All line of business of Contech, including without limiting the generality of the foregoing all of the items listed on Schedule "C" 	CAD \$700,000.00

- the websites Frameitall.com, Scenery-solutions.com, gardenwars.com, gardenwarz.com, all creative material images video etc., customer contacts and all data and account information.
- All logins social media platforms with logins, speedy transfer of all URL's to our register.com account and transferring the 1-800-914-9835 telephone number.
- All data and information related to the Frame it all product line.
- All Frame It All tooling in the states, Canada, China or any other country.
- The Non-Competition and Non-Solicitation Agreement among Contech, VegHerb LLC and Anthony Topping dated February 22, 2013
- The Non-Competition and Non-Solicitation Agreement between Contech and Derek Rawden Lewis dated February 22, 2013

2.2 This Offer may be accepted by delivery by the Receiver of a copy of this Agreement signed by the Receiver and the Purchaser to the Purchaser.

2.3 This Offer will remain open for acceptance until 11:59pm May 12, 2015 (Pacific Time), after which time it will be deemed to have been automatically withdrawn.

2.4 If this Offer is not accepted by the Receiver, the Offer will be extinguished and will no longer be binding on the Purchaser.

3. PURCHASE AND SALE OF THE PURCHASED ASSETS

3.1 Purchase and Sale. Upon delivery by the Receiver to the Purchaser of a signed copy of this Agreement executed by each of the Receiver and the Purchaser, this Agreement shall become a binding Agreement whereby the Receiver agrees to sell and transfer to the Purchaser, and the Purchaser agrees to purchase and acquire Contech's and the Receiver's right, title and interest in and to the Assets on the terms set out in this Agreement.

4. DEPOSIT AND PAYMENT

4.1 Purchase Price. The Purchase Price for the sale, assignment, transfer and conveyance of the Assets to the Purchaser shall be payable as set forth (all in Canadian Dollars):

4.2

- (a) by paying \$25,000.00 in certified funds, which has already been provided to the Vendor as a deposit in connection with a previous offer to purchase that was not accepted by the Receiver, and shall be the Deposit referred to in section 4.2 below; and
- (b) on Closing an assumption of the liability for, or forgiveness of Contech's indebtedness for \$675,000.00 in favour of Vegherb LLC; and
- (c) The Purchase Price will be allocated among the Assets as set out in Section 2.1.

4.3 Deposit. The Deposit which has been paid to the Receiver's Solicitors in accordance with Section 4.1(a), shall be dealt with as follows:

- (a) The Deposit shall be placed in an interest bearing trust account.
- (b) the Deposit and any interest earned thereon shall be paid to the Receiver:
 - (i) and credited to the Purchase Price at the Closing Date; or
 - (ii) as liquidated damages, the Parties hereby agreeing that the Deposit constitutes a genuine pre-estimate of the damages that will be suffered by the Receiver if the Purchaser breaches any of the terms of this Agreement.
- (c) The Receiver acknowledges and agrees that it has no interest in the Deposit except the right to receive the Deposit in those certain circumstances described in paragraph (b) above.

5. CONDITIONS PRECEDENT

5.1 The obligation of the Receiver to complete the sale of the Assets contemplated by this Agreement and of the Purchaser to complete the purchase of the Assets as contemplated by this Agreement are subject to the satisfaction of each of the following conditions (the "Conditions Precedent") by the dates set forth below, and if no dates are set forth then by or at the Closing Date:

- (a) Approval and Vesting Order. The Receiver shall have obtained the Approval and Vesting Order by no later than May 22, 2015;
- (b) No Actions or Proceedings. As of the Closing Date, no appeal of, motion to vary, stay or vacate, or motion for leave to appeal the Approval and Vesting Order shall

be outstanding, pending or threatened by any Person (not including the Purchaser) or any Governmental Authority; and

- (c) No Orders. As of the Closing Date, no order or direction shall have been made by any Governmental Authority which would have the effect of prohibiting or preventing the sale of the Assets to the Purchaser.

The foregoing conditions are inserted for the mutual benefit of the Receiver and the Purchaser and may be waived in whole or in part only if jointly waived in writing by the Receiver and the Purchaser at or prior to the applicable time set for the satisfaction of such conditions.

6. REPRESENTATIONS AND WARRANTIES OF THE RECEIVER

6.1 The Purchaser acknowledges that it is acquiring the Assets on an "as is, where is" basis, without representation and warranty and without reliance on any information provided to the Purchaser by or on behalf of the Receiver, except that the Receiver makes the following representations and warranties to the Purchaser:

- (a) Due Authorization, Approvals and Consents. Subject to obtaining the Approval and Vesting Order: (i) the Receiver has the authority to assign, transfer and convey the Assets to the Purchaser in the manner contemplated herein; and (ii) this Agreement and all other agreements, documents and instruments required to be delivered by the Receiver hereunder have been duly executed and delivered by the Receiver and constitute and will constitute legal, valid and binding obligations of the Receiver, enforceable in accordance with their terms.

7. REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

7.1 The Purchaser represents and warrants to the Receiver as follows, with the intent that the Receiver shall rely thereon in entering into this Agreement and in concluding the purchase and sale contemplated herein:

- (a) Formation and Good Standing. The Purchaser is a limited liability company duly organized, validly existing and organized and in good standing under the laws of the State of New York, and has the legal power and capacity to enter into this Agreement and to carry out its terms;
- (b) Authority to Purchase. The execution and delivery of this Agreement and the completion of the transaction contemplated herein shall by the Closing Date be duly and validly authorized by all necessary corporate action on the part of the Purchaser, and this Agreement will constitute a legal, valid and binding obligation of the Purchaser enforceable against the Purchaser in accordance with its terms;
- (c) Absence of Legal Conflict. Neither the execution and delivery of this Agreement by the Purchaser, nor the performance of this Agreement by the Purchaser and the consummation by the Purchaser of the transactions contemplated by this Agreement will:

- (i) conflict with or violate the constating documents of the Purchaser or any resolution of either of its directors or shareholders;
- (ii) conflict with or violate any law, rule, regulation, permit, Order, judgment or decree applicable to the Purchaser or by which its properties are bound or affected, the conflict with which or violation of which would prohibit or materially delay the Purchaser's ability to perform its obligations under this Agreement; or
- (iii) result in any breach of or constitute a default (or an event which with notice or lapse of time or both would become a default) under any agreement to which the Purchaser is a party or by which the Purchaser or any of its properties is bound or affected and which would prohibit or materially delay the Purchaser's ability to perform its obligations under this Agreement;
- (d) the Purchaser is or will be registered under Part IX of the *Excise Tax Act* (Canada) on or before the Closing Date.

8. SURVIVAL OF REPRESENTATIONS AND WARRANTIES

8.1 The representations and warranties made by each of the Receiver and the Purchaser in this Agreement shall survive Closing for a period of one (1) year.

9. PURCHASER'S ACKNOWLEDGEMENT

9.1 The Purchaser hereby expressly acknowledges and agrees that:

- (a) the Receiver is acting only in its representative capacity as Court-appointed receiver over the Assets and not in its personal capacity and shall have no liability under or as a result of entering into or carrying out the transaction which is the subject of this Agreement;
- (b) the Purchaser must make its own arrangements to support this Agreement in Court;
- (c) if the Court vacates, sets aside or varies any Order approving this Agreement, or does not approve the Agreement or the Approval and Vesting Order, for any reason whatsoever, then the Receiver shall not be liable to the Purchaser or any other person in any way whatsoever;
- (d) the Purchaser has relied entirely upon its own inspection and investigation of all matters in respect of the Assets;
- (e) the Receiver has not made and will not make any warranty or representation in relation to the Assets including any warranty or representation as to the fitness, design, condition or quality of the Assets;
- (f) no representation, warranty or condition is expressed by the Receiver or can be implied as to title or encumbrances to the Assets, or in respect of any other matter

or thing whatsoever concerning the Assets or the right of the Receiver to sell or assign same save and except as expressly represented or warranted in Section 6.1.

- (g) without limiting the generality of the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to the *Sale of Goods Act* (British Columbia) or similar legislation in British Columbia or any other jurisdiction do not apply hereto and have in any event been waived by the Purchaser.
- (h) the description of the Assets contained in Schedule "A" hereto is for the purpose of identification only. The Purchaser has prepared such Schedule "A" in its entirety and is satisfied that Schedule "A" accurately and completely describes the Assets, and no representation, warranty or condition has or will be given by the Receiver concerning the completeness or the accuracy of such descriptions.

10. DELIVERY OF CLOSING DOCUMENTS

10.1 Receiver's Closing Documents. On the Closing Date, the Receiver will deliver the following to the Purchaser's Solicitor:

- (a) a copy of the Approval and Vesting Order;
- (b) all files, documents, and other materials relating to Contech or the Assets that are in the possession of or accessible by the Receiver;
- (c) all such other assurances, consents, agreements, documents and instruments as may be reasonably required to transfer the Assets to the Purchaser as contemplated in this Agreement.

10.2 Purchaser's Closing Documents. On the Closing Date, the Purchaser will deliver the following to the Receiver's Solicitors in a form acceptable to the Receiver, acting reasonably:

- (a) an irrevocable direction from the Purchaser authorizing the Receiver's Solicitors to release the Deposit to or as directed by the Receiver;
- (b) payment of the Unpaid Balance; and
- (c) all such other assurances, consents, agreements, documents and instruments as may be reasonably required to transfer the Assets to the Purchaser as contemplated in this Agreement.

11. TAXES AND FEES

11.1 The Purchaser shall be solely responsible for payment of all applicable federal, provincial and municipal taxes in connection with the Assets including, without limitation, goods and services tax, retail sales tax and social services tax.

11.2 The Purchaser agrees to indemnify and save the Receiver harmless from and against all claims and demands made or assessed by any Governmental Authority after the Closing Date for payment of any taxes, penalties or fees of any kind whatsoever in any way relating to the Assets.

12. RISK

12.1 The Assets will be at the risk of Receiver up until the Closing Date. From and including the Closing Date the Assets will be at the risk of the Purchaser.

13. MISCELLANEOUS

13.1 Severability. If any term, covenant or condition of this Agreement or the application thereof to any person or circumstance shall, to any extent, be held to be invalid or unenforceable, the remainder of this Agreement, or the application of that term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant and condition of this Agreement shall be valid and enforced to the fullest extent permitted by law.

13.2 Further Assurances. Each party, upon receipt of notice by another party, shall sign (or cause to be signed) all further documents, do (or cause to be done) all further acts, and provide all reasonable assurances as may reasonably be necessary or desirable to give effect to the terms of this Agreement. Without limiting the foregoing, upon reasonable request, the Receiver shall provide to the Purchaser information and documents which are within its possession or control and are necessary or desirable for the Purchaser to register, enforce, and defend its rights in the Assets.

13.3 Notice. Any notices, requests or demands which may or are required to be given or made hereunder shall be in writing and served personally addressed:

if to the Receiver, to:

Deloitte Restructuring Inc.
2800 - 1055 Dunsmuir Street
4 Bentall Centre
P.O. Box 49279
Vancouver British Columbia
V7X 1P4
Fax: 604-602-1583

with a copy to:

Borden Ladner Gervais LLP
1200 Waterfront Centre
200 Burrard Street, P.O. Box 48600
Vancouver, British Columbia
V7X 1T2

Fax: 604-622-4198
Attention: Magnus C. Verbrugge

and if to the Purchaser, to:

YegHerb, LLC
10 Gedney Circle
White Plains, New York 10605
USA
(914) 552-6554
agtopping@gmail.com
Attention: Anthony Topping

with a copy to:

PENN & ASSOCIATES, LLP
260 Madison Avenue
Floor 21
New York, New York 10016-2401
USA
(212) 661-5700
(888) 506-3339 (facsimile)
cpenn@epennlaw.com
Attention: Craig E. Penn, Esq.

13.4 Entire Agreement. This Agreement constitutes the entire agreement between the parties and there are no representations or warranties, express or implied, statutory or otherwise and no agreements collateral hereto other than as expressly set forth or referred to herein.

13.5 Time of Essence. Time, where mentioned in this Agreement, shall be of the essence.

13.6 Currency. Unless otherwise expressly provided herein, all sums of money referred to in this Agreement are expressed in Canadian Dollars.

13.7 Interpretation. Wherever the singular or masculine is used in this Agreement, references to plural, feminine and body corporate shall be construed as necessary.

13.8 Governing Law. This Agreement shall be governed by all and interpreted in accordance with the laws of the Province of British Columbia.

13.9 Execution in Counterpart. This Agreement may be executed in counterparts and the parties hereto may evidence their execution of this Agreement by facsimile or other electronic transmission.

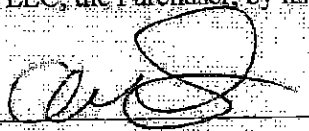
13.10 Successors and Assigns. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. The Purchaser shall have the right, prior to the granting of the Approval and Vesting Order to assign, in whole or in part, its rights to

acquire the Property hereunder to any affiliate of the Purchaser provided that such assignment shall not release the Purchaser from its obligations under this Agreement.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their proper and duly authorized officers as of the date first above written.

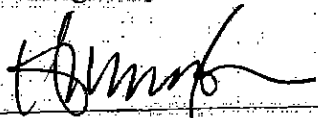
VegHerb, LLC, the Purchaser, by its authorized signatory:



By: Anthony Topping, Managing Member

Date: May 12, 2015

Deloitte Restructuring Inc.
in its capacity as Court-appointed receiver of the
assets and undertakings of Contech Enterprises
Ltd. and not in its personal capacity, by its
authorized signatory:



Date: 12 MAY 2015

SCHEDULE "A" TO PURCHASE AND SALE AGREEMENT

ASSETS

- All intellectual property, including patents, in connection with the Frame It All line of business of Contech, including without limiting the generality of the foregoing all of the items listed on Schedule "C".
- the websites Frameitall.com, Scenery-solutions.com, garden-wars.com, gardenwarz.com, all creative material images video etc., customer contacts and all data and account information.
- All logins social media platforms with logins, speedy transfer of all URL's to our register.com account and transferring the 1-800-914-9835 telephone number.
- All data and information related to the Frame it all product line.
- All Frame It All tooling in the states, Canada, China or any other country.
- The Non-Competition and Non-Solicitation Agreement among Contech, VegHerb LLC and Anthony Topping dated February 22, 2013
- The Non-Competition and Non-Solicitation Agreement between Contech and Derek Rawden Lewis dated February 22, 2013

SCHEDULE "B" TO PURCHASE AND SALE AGREEMENT

FORM OF APPROVAL AND VESTING ORDER

THE APPLICATION of Deloitte Restructuring Inc., in its capacity as Court-appointed Receiver (the "Receiver") of the assets, undertakings and properties of Contech Enterprises Inc. (the "Debtor") coming on for hearing at Vancouver, British Columbia, on the [•] day of April, 2015; AND ON HEARING Magnus Verbrugge, counsel for the Receiver, and those other counsel listed on Schedule "A" hereto; AND UPON READING the material filed;

THIS COURT ORDERS AND DECLARES THAT:

1. The sale transaction (the "Transaction") contemplated by the Asset Purchase Agreement dated April [•] (the "Sale Agreement") between the Receiver and [•] (the "Purchaser"), a copy of which is attached as Schedule "B" hereto is hereby approved, and the Sale Agreement is commercially reasonable. The execution of the Sale Agreement by the Receiver is hereby authorized and approved, and the Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance to the Purchaser of the assets described in the Sale Agreement as the "Assets".
2. Upon delivery by the Receiver to the Purchaser of a certificate substantially in the form attached as Schedule "C" hereto (the "Receiver's Certificate"), all of the Debtor's right, title and interest in and to the Assets described in the Sale Agreement shall vest absolutely in the Purchaser in fee simple, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of this Court dated [•]; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of British Columbia or any other personal property registry system; and (iii) those Claims listed on Schedule "D" hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule "E" hereto), and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Assets are hereby expunged and discharged as against the Assets.
3. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Assets shall stand in the place and stead of the Assets, and from and after the delivery of the Receiver's Certificate all Claims shall attach to the net proceeds from the sale of the Assets with the same priority as they had with respect to the Assets immediately prior to the sale, as if the Assets had not been sold and remained in the possession or control of the person having had possession or control immediately prior to the sale.

4. The Receiver is to file with the Court a copy of the Receiver's Certificate forthwith after delivery thereof.
5. Pursuant to Section 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act* or Section 18(10)(c) of the *Personal Information Protection Act* of British Columbia, the Receiver is hereby authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the company's records pertaining to the Debtor's past and current employees, including personal information. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.
6. Subject to the terms of the Sale Agreement, vacant possession of the Assets, including any real property, shall be delivered by the Receiver to the Purchaser at 12:00 noon on the Closing Date (as defined in the Sale Agreement), subject to any permitted encumbrances listed on Schedule "E".
7. The Receiver, with the consent of the Purchaser, shall be at liberty to extend the Closing Date to such later date as those parties may agree without the necessity of a further Order of this Court.
8. Notwithstanding:
 - (a) these proceedings;
 - (b) any applications for a bankruptcy order in respect of the Debtor now or hereafter made pursuant to the *Bankruptcy and Insolvency Act* and any bankruptcy order issued pursuant to any such applications; and
 - (c) any assignment in bankruptcy made by or in respect of the Debtor,

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

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

10. The Receiver or any other party have liberty to apply for such further or other directions or relief as may be necessary or desirable to give effect to this Order.

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:

SCHEDULE "A" TO APPROVAL AND VESTING ORDER

Counsel List

SCHEDULE "B" TO APPROVAL AND VESTING ORDER

Purchase and Sale Agreement

SCHEDULE "C" TO APPROVAL AND VESTING ORDER

Receiver's Certificate

SCHEDULE "D" TO APPROVAL AND VESTING ORDER

SCHEDULE "E" TO APPROVAL AND VESTING ORDER

Permitted Encumbrances

**SCHEDULE "C" TO PURCHASE AND SALE AGREEMENT
INTELLECTUAL PROPERTY**

Trade-mark

1. Veggie Wall

Application/Registration No.

3903615

URLs

Domain Name	Description	Is Transfer Locked?	Status	Expiration Date
francitall.com	francitall.com	locked	ACTIVE	6/2/2015
	Private Domain		ACTIVE	3/2/2015
garden-wars.com	garden-wars.com	locked	ACTIVE	7/28/2013
	Private Domain		ACTIVE	7/28/2013
	Domain Expiration Protection		ACTIVE	7/28/2013
	Basic Web Site Forwarding		ACTIVE	7/28/2013
gardentimbers.com	gardentimbers.com	locked	ACTIVE	3/1/2014
	Basic Web Site Forwarding		ACTIVE	3/1/2014
	Private Domain		ACTIVE	1/31/2014
gardenwartz.com	gardenwartz.com	locked	ACTIVE	7/28/2013
	Basic Web Site Forwarding		ACTIVE	7/28/2013
	Private Domain		ACTIVE	7/28/2014
	Domain Expiration Protection		ACTIVE	7/28/2013
raisedbed.com	raisedbed.com	locked	ACTIVE	3/1/2014
	Basic Web Site Forwarding		ACTIVE	3/1/2014
	Private Domain		ACTIVE	3/1/2014
raisedbedgarden.com	raisedbedgarden.com	unlocked	ACTIVE	3/1/2014
	Basic Web Site Forwarding		ACTIVE	3/1/2014
	Private Domain		ACTIVE	3/1/2014
scenery-solutions.com	scenery-solutions.com	locked	ACTIVE	12/30/2015
	Private Domain		ACTIVE	3/2/2015

Patents

LE Ref.	OC Attorney	Title	Status	Serial No.	Filing Date	Inventor Name(s)	Patent No.	Issue Date
00049/001629- US0	David Lenson	TRELLIS BRACKET	Granted	29/103,748	4/22/1999	JEFFREY R. MARRINO	D423,798	8/7/2000
00049/001631- US0	David Lenson	RAISED BED BRACKET	Granted	29/103,748	4/22/1999		D423,885	4/18/2000
00049/001632- US0	David Lenson	TEE PEE LEG CONNECTO R	Granted	29/105,966	6/3/1999	JEFFREY R. MARRINO	D423,624	4/25/2000
00049/001635- CA0	David Lenson	RAISED BORDER SYSTEM	Granted	2288583	11/8/1999		2,288,583	1/19/2001
00049/001635- GB0	David Lenson	RAISED BORDER SYSTEM	Granted	99308248.6	10/19/1999		1020169	7/19/2000
00049/001635- US0	David Lenson	RAISED BORDER SYSTEM	Granted	09/221,999	1/14/1999	Hans Naepfert, Dieter Kubitz, Mark Casper, Graf Staeffler	6,202,367	3/28/2001
00049/001637- US0	David Lenson	GARDEN TRELLIS WALL SYSTEM	Granted	09/229,417	1/12/1999		6,311,428	11/6/2001
00049/002729- US0	Edward Elli	LIGHTING SYSTEM FOR USE IN RAISED BED GARDENING OR LANDSCAP ING	Pending	61,597,084	2/9/2012	Anthony Topping		
00049/003113- US0	David Lenson	GROMMET	Pending	29/435,496	10/24/2012	Eric Lam, Anthony Topping		
00049/003114- US0	David Lenson	RAISED BORDER BRACKET ARRANGEM ENT	Pending	13/673,501	11/9/2012	Anthony Topping		

APPENDIX D

INVENTORY PURCHASE AND SALE AGREEMENT DATED MAY 12, 2015

PURCHASE AND SALE AGREEMENT

This agreement (this "Agreement") dated as of the 12th day of May, 2015.

BETWEEN:

VegHerb, LLC, a limited liability company organized and existing under the laws of the State of New York, having its principal place of business at 10 Gedney Circle White Plains, NY 10605 in trust for a company to be incorporated,

(the "Purchaser")

AND:

Deloitte Restructuring Inc., in its capacity as court-appointed receiver over the assets, undertakings and properties of Contech Enterprises Inc., and not in its personal capacity

(The "Receiver")

WHEREAS:

A. On March 20, 2015, on the application of HSBC Bank Canada, the Supreme Court of British Columbia (the "Court") in Action Number S152303, Vancouver Registry (the "Receivership Proceedings"), appointed the Receiver to act as receiver over the assets, undertakings and properties of Contech Enterprises Inc. ("Contech").

B. Contech is the owner of the property, rights and interests listed on Schedule "A" hereto (the "Assets").

C. The Receiver wishes to sell and the Purchaser wishes to purchase the Assets, subject to and in accordance with the terms and conditions hereof.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the covenants and agreements herein contained the parties hereto agree as follows:

I. DEFINED TERMS

Capitalized terms used but not otherwise defined herein shall have the following meanings:

"Approval and Vesting Order" means an Order of the Court in the Receivership Proceedings, as required, substantially in form attached as Schedule "B" hereto and as may be amended with the consent of the Receiver and Purchaser acting reasonably;

"Business Day" means a day other than a Saturday, a Sunday or a statutory holiday in British Columbia;

"Canadian Dollars" means the lawful currency of Canada.

“**Closing**” means the completion of the purchase and sale of the Assets in accordance with the provisions of this Agreement.

“**Closing Date**” means the 2nd Business Day following the day on which the Approval and Vesting Order is obtained, or such other time and date as may be agreed upon in writing by Receiver and Purchaser, acting reasonably.

“**Governmental Authority**” means any government, regulatory authority, governmental department, agency, commission, bureau, court, judicial body, arbitral body or other law, rule or regulation making entity.

- (a) having jurisdiction over Contech, the Receiver, the Purchaser or the Assets on behalf of any country, province, state, locality or other geographical or political subdivision thereof; or
- (b) Exercising or entitled to exercise any administrative, judicial, legislative, regulatory or taxing authority or power with respect to the Assets.

“**Order**” means any order, decision, determination, judgment, injunction, decree, award or writ with respect to the Assets made by of any court (including the Court), arbitrator or Governmental Authority, or other Person who has jurisdiction over the subject matter of the order, decision, determination, judgment, injunction, decree, award or writ.

“**Person**” means any individual, corporation, partnership, joint venture, limited liability company, association, trust, governmental body or any other entity or body.

“**Purchaser’s Solicitors**” means PENN & ASSOCIATES, LLP, 260 Madison Avenue, Floor 21, New York, New York 10016-2401 (USA) (212) 661-5700, cpenn@cpennlaw.com (attention Craig E. Penn, Esq.

“**Receiver’s Solicitors**” means Borden Ladner Gervais LLP.

2. OFFER TO PURCHASE THE ASSETS

2.1 By signing this Agreement and delivering it to the Receiver or the Receiver’s Solicitors, the Purchaser hereby offers to purchase Contech’s and the Receiver’s right, title and interest in the Assets for the aggregate price of \$0.15 on the dollar for the book value in accordance with Contech’s electronic SAP accounting records (the “**Purchase Price**”) on the terms and conditions set out in this Agreement (the “**Offer**”), the Purchase Price to be allocated between specific Assets or classes / types of Assets as follows:

SPECIFIC ASSET or ASSET CLASS / TYPE	PURCHASE PRICE
<ul style="list-style-type: none">• All Frame It All inventory as of Closing, but excluding any unsalable or close out products listed in Schedule “C”• All UPC , EPC prefixes and	\$0.15 on the dollar for the book value in accordance with Contech’s electronic SAP accounting records

GLN product codes for the inventory being purchased	
---	--

2.2 This Offer may only be accepted by the Receiver if it also accepts the offer to purchase delivered by the Purchaser to the Receiver contemporaneously with this Offer for Contech's intellectual property assets as more particularly described in that offer (the "Purchaser's IP Offer").

2.3 This Offer may be accepted by delivery by the Receiver of a copy of this Agreement signed by the Receiver and the Purchaser to the Purchaser.

2.4 This Offer will remain open for acceptance until 11:59pm May 12, 2015 (Pacific Time), after which time it will be deemed to have been automatically withdrawn.

2.5 If this Offer is not accepted by the Receiver, the Offer will be extinguished and will no longer be binding on the Purchaser.

3. PURCHASE AND SALE OF THE PURCHASED ASSETS

3.1 Purchase and Sale. Upon delivery by the Receiver to the Purchaser of a signed copy of this Agreement executed by each of the Receiver and the Purchaser, this Agreement shall become a binding Agreement whereby the Receiver agrees to sell and transfer to the Purchaser, and the Purchaser agrees to purchase and acquire Contech's and the Receiver's right, title and interest in and to the Assets on the terms set out in this Agreement.

4. DEPOSIT AND PAYMENT

4.1 Purchase Price. The Purchase Price for the sale, assignment, transfer and conveyance of the Assets to the Purchaser shall be payable as set forth (all in Canadian Dollars):

- (a) by paying \$25,000.00 in certified funds, which has already been provided to the Vendor as a deposit in connection with the Purchaser's IP Offer;
- (b) by paying \$25,000 as a further deposit within one business day upon acceptance of this Offer to Purchase by the Receiver; and
- (c) by paying the balance due and payable in accordance with the method of setting the Purchase Price in Section 2.1 by certified funds payable to the Receiver or as it may direct; and
- (d) The Purchase Price will be allocated among the Assets as set out in Section 2.1.

4.2 Deposit. The Deposit which has been paid to the Receiver's Solicitors in accordance with Section 4.1(a) and will be paid in accordance with Section 4.1(b), shall be dealt with as follows:

- (a) The Deposit shall be placed in an interest bearing trust account.

- (b) the Deposit and any interest earned thereon shall be paid to the Receiver:
 - (i) and credited to the Purchase Price at the Closing Date; or
 - (ii) as liquidated damages, the Parties hereby agreeing that the Deposit constitutes a genuine pre-estimate of the damages that will be suffered by the Receiver if the Purchaser breaches any of the terms of this Agreement.
- (c) The Receiver acknowledges and agrees that it has no interest in the Deposit except the right to receive the Deposit in those certain circumstances described in paragraph (a) above.

5. CONDITIONS PRECEDENT

5.1 The obligation of the Receiver to complete the sale of the Assets contemplated by this Agreement and of the Purchaser to complete the purchase of the Assets as contemplated by this Agreement are subject to the satisfaction of each of the following conditions (the "Conditions Precedent") by the dates set forth below, and if no dates are set forth then by or at the Closing Date:

- (a) Approval and Vesting Order. The Receiver shall have obtained the Approval and Vesting Order by no later than May 22, 2015;
- (b) No Actions or Proceedings. As of the Closing Date, no appeal of, motion to vary, stay or vacate, or motion for leave to appeal the Approval and Vesting Order shall be outstanding, pending or threatened by any Person (not including the Purchaser) or any Governmental Authority; and
- (c) No Orders. As of the Closing Date, no order or direction shall have been made by any Governmental Authority which would have the effect of prohibiting or preventing the sale of the Assets to the Purchaser.

The foregoing conditions are inserted for the mutual benefit of the Receiver and the Purchaser and may be waived in whole or in part only if jointly waived in writing by the Receiver and the Purchaser at or prior to the applicable time set for the satisfaction of such conditions.

6. REPRESENTATIONS AND WARRANTIES OF THE RECEIVER

6.1 The Purchaser acknowledges that it is acquiring the Assets on an "as is, where is" basis, without representation and warranty and without reliance on any information provided to the Purchaser by or on behalf of the Receiver, except that the Receiver makes the following representations and warranties to the Purchaser:

- (a) Due Authorization, Approvals and Consents. Subject to obtaining the Approval and Vesting Order: (i) the Receiver has the authority to assign, transfer and convey the Assets to the Purchaser in the manner contemplated herein; and (ii) this Agreement and all other agreements, documents and instruments required to be delivered by the Receiver hereunder have been duly executed and delivered by

the Receiver and constitute and will constitute legal, valid and binding obligations of the Receiver, enforceable in accordance with their terms.

7. REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

7.1 The Purchaser represents and warrants to the Receiver as follows, with the intent that the Receiver shall rely thereon in entering into this Agreement and in concluding the purchase and sale contemplated herein:

- (a) Formation and Good Standing. The Purchaser is a limited liability company duly organized, validly existing and organized and in good standing under the laws of the State of New York, and has the legal power and capacity to enter into this Agreement and to carry out its terms;
- (b) Authority to Purchase. The execution and delivery of this Agreement and the completion of the transaction contemplated herein shall by the Closing Date be duly and validly authorized by all necessary corporate action on the part of the Purchaser, and this Agreement will constitute a legal, valid and binding obligation of the Purchaser enforceable against the Purchaser in accordance with its terms;
- (c) Absence of Legal Conflict. Neither the execution and delivery of this Agreement by the Purchaser, nor the performance of this Agreement by the Purchaser and the consummation by the Purchaser of the transactions contemplated by this Agreement will:
 - (i) conflict with or violate the constating documents of the Purchaser or any resolution of either of its directors or shareholders;
 - (ii) conflict with or violate any law, rule, regulation, permit, Order, judgment or decree applicable to the Purchaser or by which its properties are bound or affected, the conflict with which or violation of which would prohibit or materially delay the Purchaser's ability to perform its obligations under this Agreement; or
 - (iii) result in any breach of or constitute a default (or an event which with notice or lapse of time or both would become a default) under any agreement to which the Purchaser is a party or by which the Purchaser or any of its properties is bound or affected and which would prohibit or materially delay the Purchaser's ability to perform its obligations under this Agreement.
- (d) the Purchaser is or will be registered under Part IX of the *Excise Tax Act* (Canada) on or before the Closing Date.

8. SURVIVAL OF REPRESENTATIONS AND WARRANTIES

8.1 The representations and warranties made by each of the Receiver and the Purchaser in this Agreement shall survive Closing for a period of one (1) year.

9. PURCHASER'S ACKNOWLEDGEMENT

9.1 The Purchaser hereby expressly acknowledges and agrees that:

- (a) the Receiver is acting only in its representative capacity as Court-appointed receiver over the Assets and not in its personal capacity and shall have no liability under or as a result of entering into or carrying out the transaction which is the subject of this Agreement;
- (b) the Purchaser must make its own arrangements to support this Agreement in Court;
- (c) if the Court vacates, sets aside or varies any Order approving this Agreement, or does not approve the Agreement or the Approval and Vesting Order, for any reason whatsoever, then the Receiver shall not be liable to the Purchaser or any other person in any way whatsoever;
- (d) the Purchaser has relied entirely upon its own inspection and investigation of all matters in respect of the Assets;
- (e) the Receiver has not made and will not make any warranty or representation in relation to the Assets including any warranty or representation as to the fitness, design, condition or quality of the Assets;
- (f) no representation, warranty or condition is expressed by the Receiver or can be implied as to title or encumbrances to the Assets, or in respect of any other matter or thing whatsoever concerning the Assets or the right of the Receiver to sell or assign same save and except as expressly represented or warranted in Section 6.1.
- (g) without limiting the generality of the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to the *Sale of Goods Act* (British Columbia) or similar legislation in British Columbia or any other jurisdiction, do not apply hereto and have in any event been waived by the Purchaser;
- (h) the description of the Assets contained in Schedule "A" hereto is for the purpose of identification only. The Purchaser has prepared such Schedule "A" in its entirety and is satisfied that Schedule "A" accurately and completely describes the Assets, and no representation, warranty or condition has or will be given by the Receiver concerning the completeness or the accuracy of such descriptions.

10. DELIVERY OF CLOSING DOCUMENTS

10.1 Receiver's Closing Documents. On the Closing Date, the Receiver will deliver the following to the Purchaser's Solicitor:

- (a) a copy of the Approval and Vesting Order;

- (b) all files, documents, and other materials relating to Contech or the Assets that are in the possession of or accessible by the Receiver;
- (c) all such other assurances, consents, agreements, documents and instruments as may be reasonably required to transfer the Assets to the Purchaser as contemplated in this Agreement.

10.2 Purchaser's Closing Documents. On the Closing Date, the Purchaser will deliver the following to the Receiver's Solicitors in a form acceptable to the Receiver, acting reasonably:

- (a) an irrevocable direction from the Purchaser authorizing the Receiver's Solicitors to release the Deposit to or as directed by the Receiver;
- (b) payment of the Unpaid Balance; and
- (c) all such other assurances, consents, agreements, documents and instruments as may be reasonably required to transfer the Assets to the Purchaser as contemplated in this Agreement.

11. TAXES AND FEES

11.1 The Purchaser shall be solely responsible for payment of all applicable federal, provincial and municipal taxes in connection with the Assets including, without limitation, goods and services tax, retail sales tax and social services tax.

11.2 The Purchaser agrees to indemnify and save the Receiver harmless from and against all claims and demands made or assessed by any Governmental Authority after the Closing Date for payment of any taxes, penalties or fees of any kind whatsoever in any way relating to the Assets.

12. RISK

12.1 The Assets will be at the risk of Receiver up until the Closing Date. From and including the Closing Date the Assets will be at the risk of the Purchaser.

13. MISCELLANEOUS

13.1 Severability. If any term, covenant or condition of this Agreement or the application thereof to any person or circumstance shall, to any extent, be held to be invalid or unenforceable, the remainder of this Agreement, or the application of that term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant and condition of this Agreement shall be valid and enforced to the fullest extent permitted by law.

13.2 Further Assurances. Each party, upon receipt of notice by another party, shall sign (or cause to be signed) all further documents, do (or cause to be done) all further acts, and provide all reasonable assurances as may reasonably be necessary or desirable to give effect to the terms of this Agreement. Without limiting the foregoing, upon reasonable request, the Receiver shall provide to the Purchaser information and documents which are within its possession or control

and are necessary or desirable for the Purchaser to register, enforce, and defend its rights in the Assets.

13.3 Notice: Any notices, requests or demands which may or are required to be given or made hereunder shall be in writing and served personally addressed:

if to the Receiver, to:

Deloitte Restructuring Inc.
2800 - 1055 Dunsmuir Street
4 Bentall Centre
P.O. Box 49279
Vancouver British Columbia
V7X 1P4
Fax: 604-602-1583

with a copy to:

Borden Ladner Gervais LLP
1200 Waterfront Centre
200 Burrard Street, P.O. Box 48600
Vancouver, British Columbia
V7X 1T2
Fax: 604-622-4198
Attention: Magnus C. Verbrugge

and if to the Purchaser, to:

VegHerb, LLC
10 Gedney Circle
White Plains, New York 10605
USA
(914) 552-6554
agtopping@gmail.com
Attention: Anthony Topping

with a copy to:

PENN & ASSOCIATES, LLP
260 Madison Avenue
Floor 21
New York, New York 10016-2401
USA

(212) 661-5700
(888) 506-3339 (facsimile)
cpenn@cpennlaw.com
Attention: Craig E. Penn, Esq.

13.4 Entire Agreement. This Agreement constitutes the entire agreement between the parties and there are no representations or warranties, express or implied, statutory or otherwise and no agreements collateral hereto other than as expressly set forth or referred to herein.

13.5 Time of Essence. Time, where mentioned in this Agreement, shall be of the essence.

13.6 Currency. Unless otherwise expressly provided herein, all sums of money referred to in this Agreement are expressed in Canadian Dollars.

13.7 Interpretation. Wherever the singular or masculine is used in this Agreement, references to plural, feminine and body corporate shall be construed as necessary.

13.8 Governing Law. This Agreement shall be governed by all and interpreted in accordance with the laws of the Province of British Columbia.

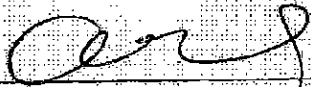
13.9 Execution in Counterpart. This Agreement may be executed in counterparts and the parties hereto may evidence their execution of this Agreement by facsimile or other electronic transmission.

13.10 Successors and Assigns. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. The Purchaser shall have the right, prior to the granting of the Approval and Vesting Order to assign, in whole or in part, its rights to acquire the Property hereunder to any affiliate of the Purchaser provided that such assignment shall not release the Purchaser from its obligations under this Agreement.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their proper and duly authorized officers as of the date first above written.

VegHerb, LLC, the Purchaser, by its authorized signatory:

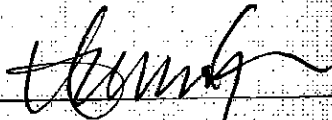


By: Anthony Topping, Managing Member

Date: May 12, 2015

Deloitte Restructuring Inc.

in its capacity as Court-appointed receiver of the assets and undertakings of Contech Enterprises Ltd. and not in its personal capacity, by its authorized signatory:



Date: 12 MAY 2015

SCHEDULE "A" TO PURCHASE AND SALE AGREEMENT

ASSETS

- All Frame It All inventory as of Closing, but excluding any unsalable or close out products listed in Schedule "C".
- All UPC, UPC prefixes and GLN product codes for the inventory being purchased.

SCHEDULE "B" TO PURCHASE AND SALE AGREEMENT

FORM OF APPROVAL AND VESTING ORDER

THE APPLICATION of Deloitte Restructuring Inc., in its capacity as Court-appointed Receiver (the "Receiver") of the assets, undertakings and properties of Contech Enterprises Inc. (the "Debtor") coming on for hearing at Vancouver, British Columbia, on the [•] day of April, 2015; AND ON HEARING Magnus Verbrugge, counsel for the Receiver, and those other counsel listed on Schedule "A" hereto; AND UPON READING the material filed;

THIS COURT ORDERS AND DECLARES THAT:

1. The sale transaction (the "Transaction") contemplated by the Asset Purchase Agreement dated April [•] (the "Sale Agreement") between the Receiver and [•] (the "Purchaser"), a copy of which is attached as Schedule "B" hereto is hereby approved, and the Sale Agreement is commercially reasonable. The execution of the Sale Agreement by the Receiver is hereby authorized and approved, and the Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance to the Purchaser of the assets described in the Sale Agreement as the "Assets".
2. Upon delivery by the Receiver to the Purchaser of a certificate substantially in the form attached as Schedule "C" hereto (the "Receiver's Certificate"), all of the Debtor's right, title and interest in and to the Assets described in the Sale Agreement shall vest absolutely in the Purchaser in fee simple, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of this Court dated [•]; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of British Columbia or any other personal property registry system; and (iii) those Claims listed on Schedule "D" hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule "E" hereto), and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Assets are hereby expunged and discharged as against the Assets.
3. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Assets shall stand in the place and stead of the Assets, and from and after the delivery of the Receiver's Certificate all Claims shall attach to the net proceeds from the sale of the Assets with the same priority as they had with respect to the Assets immediately prior to the sale, as if the Assets had not been sold and remained in the possession or control of the person having had possession or control immediately prior to the sale.

4. The Receiver is to file with the Court a copy of the Receiver's Certificate forthwith after delivery thereof.
5. Pursuant to Section 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act* or Section 18(10)(e) of the *Personal Information Protection Act* of British Columbia, the Receiver is hereby authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the company's records pertaining to the Debtor's past and current employees, including personal information. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.
6. Subject to the terms of the Sale Agreement, vacant possession of the Assets, including any real property, shall be delivered by the Receiver to the Purchaser at 12:00 noon on the Closing Date (as defined in the Sale Agreement), subject to any permitted encumbrances listed on Schedule "E".
7. The Receiver, with the consent of the Purchaser, shall be at liberty to extend the Closing Date to such later date as those parties may agree without the necessity of a further Order of this Court.
8. Notwithstanding:
 - (a) these proceedings;
 - (b) any applications for a bankruptcy order in respect of the Debtor now or hereafter made pursuant to the *Bankruptcy and Insolvency Act* and any bankruptcy order issued pursuant to any such applications; and
 - (c) any assignment in bankruptcy made by or in respect of the Debtor;

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

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

10. The Receiver or any other party have liberty to apply for such further or other directions or relief as may be necessary or desirable to give effect to this Order.

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:

SCHEDULE "A" TO APPROVAL AND VESTING ORDER

Counsel List

SCHEDULE "B" TO APPROVAL AND VESTING ORDER

Purchase and Sale Agreement

SCHEDULE "C" TO APPROVAL AND VESTING ORDER

Receiver's Certificate

SCHEDULE "D" TO APPROVAL AND VESTING ORDER

Expunged Encumbrances / Claims

Inventory item No.

100001602, 100001601, 100001602, 100001603, 100001604, 100001605, 100001606, 100001607, 100001608, 200000525, 300001001, 300001014, 300001015, 300001017, 300001046, 300001158, 300001218, 300001219, 300001247, 300001251, 300001353, 300001354, 300001355. Any and all liabilities, product returns, all agreements & Crayola agreement

SCHEDULE "E" TO APPROVAL AND VESTING ORDER

Permitted Encumbrances

SCHEDULE "C" TO PURCHASE AND SALE AGREEMENT

EXCLUDED INVENTORY

Inventory item No. 100001602, 100001601, 100001602, 100001603, 100001604, 100001605,
100001606, 100001607, 100001608, 200000525, 300001001, 300001014, 300001015,
300001017, 300001046, 300001158, 300001218, 300001219, 300001247, 300001251,
300001353, 300001354, 300001355.

APPENDIX E

STATEMENT OF ESTIMATED REALIZATIONS

Contech Enterprises Inc.

Statement of Estimated Realizations

CDN\$'000	Balance sheet	Receiver & Manager (OLV - May 13, 2015)	
	Mar-10, 2015	High	Low
Estimated proceeds			
Accounts receivable	2,410	2,194	2,084
Inventories	3,470	3,701	3,415
Plant and equipment	993	956	956
Intangibles	5,784	1,481	1,481
Estimated proceeds before priority costs	12,657	8,332	7,937
Occupation costs		(1,774)	(1,863)
Trustee fees, legal & professional fees		(622)	(799)
Priority Creditors (WEPPA)		(4)	(4)
Estimated proceeds available to secured creditors		5,932	5,270
Business Development Bank of Canada		(87)	(87)
HSBC Bank Canada		(1,257)	(1,257)
Estimated (shortfall)/surplus to HSBC Bank Canada		4,588	3,927
First West Credit Union		(1,750)	(1,750)
Estimated (shortfall)/surplus to First West Credit Union		2,838	2,177

Estimated percentage asset recovery		
Accounts receivable	91%	86%
Inventories (cost price)	107%	98%
Plant and equipment	96%	96%
Intangibles	26%	26%
Estimated percentage asset recovery		
HSBC Bank Canada	100%	100%
First West Credit Union	100%	100%

General notes:

- 1) Purchase price allocation of the Scotts Transaction is based on the book value of assets purchased as at March 10, 2015.
- 2) Accounts receivable assumes allowance for the potential difficulty in collecting balances from foreign customers, aged accounts, set-offs, contra, penalties, holdbacks, concentration, costs of collection and likely difficulty collecting accounts.
- 3) Inventory realizations assumes allowance for penalties and holdbacks by major customers due to the discontinuation of supply.
- 4) Business Development Bank of Canada holds a priority charge on plant and equipment only.
- 5) Amounts owing to Christmas Mountains Mfg. Inc. has been omitted from this analysis given the security (land and building) is held by a third-party not involved in these proceedings.
- 6) Equipment charges in favour of K'(Prime) Technologies Inc., Dell Financial Services Canada Limited and Roynat Inc. totaling approximately \$51k have been omitted from the estimated realization analysis given the aforementioned parties do not hold general security interests and/or their charge relates to operating leases.
- 7) Amounts are sourced from the Company's records.
- 8) All amounts shown are in CDN dollars. USD balances are assumed to be at an exchange rate of USD 1: CDN 1.257.

Estimates are indicative only. Realizations have been estimated based on discussions with Management, in addition to the various assumptions as set-out in the notes above. Readers are cautioned that actual realizations will vary and variations could be material. Deloitte Restructuring Inc. has not audited, reviewed or otherwise verified information supplied by Management.

APPENDIX F

STATEMENT OF RECEIPTS AND DISBURSEMENTS

IN THE MATTER OF THE RECEIVERSHIP OF CONTECH ENTERPRISES INC.

Receiver's Statement of Receipts and Disbursements
For the Period of March 6, 2015 to May 15, 2015
(Canadian Funds)

Receipts	
Sales Proceeds	\$ 4,750,015
Accounts Receivables	1,707,062
Funds held in trust	131,425
Interest income	69
Total Receipts	<hr/> \$ 6,588,572
Disbursements	
Advances to Contech US	\$ (411,482)
Contractor costs	(371,109)
Receiver's fees	(346,530)
Freight	(210,561)
Cost of goods sold	(121,740)
Inventory paid to Scotts	(96,217)
Rent	(60,554)
Legal fees	(56,046)
GST/HST remittances	(38,455)
Utilities	(29,196)
Insurance	(13,770)
Bank charges	(1,835)
PST remittances	(686)
Filing fees paid to OR	(70)
Total Disbursements	<hr/> \$ (1,758,249)
Net Receipts	<hr/> \$ 4,830,323