

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

AND

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*, S.B.C. 2002, c. 57

AND

IN THE MATTER OF ELIA FASHIONS LTD. (in its own capacity and in its capacity as a
partner of PLEASE MUM PARTNERSHIP) and
BOSSA NOVA FASHIONS LTD. (in its own capacity and in its capacity as a partner of
PLEASE MUM PARTNERSHIP)

PETITIONERS

NOTICE OF APPLICATION

(APPLICATION FOR VESTING ORDER)

APPLICANTS: PLEASE MUM PARTNERSHIP, ELIA FASHIONS LTD. AND
BOSSA NOVA FASHIONS LTD. (COLLECTIVELY,
"PLEASE MUM")

TO: THE PARTIES LISTED ON ATTACHED **SCHEDULE "A"**

TAKE NOTICE that an application will be made by the Applicants to the Honourable Mr. Justice Burnyeat at the courthouse at 800 Smithe Street, in the City of Vancouver, in the Province of British Columbia on **Monday, May 7, 2012 at 9:00 a.m.** for an Order, substantially in the draft form described in Part 1 below and such other and further relief as Counsel for the Applicants may request and this Honourable Court deems just.

PART 1: ORDER SOUGHT

1. An Order, substantially in the draft form attached hereto as **SCHEDULE "B"**, approving the sale of the "**Assets**" of Please Mum (as defined in the Asset Purchase Agreement, dated May 2, 2012 attached as **Schedule "B"** to the Order) and vesting the Assets in World Shake Productions Inc. ("**World Shake**").

PART 2: FACTUAL BASIS

1. On April 5, 2012, Please Mum obtained an Order extending the relief under the Initial Order to May 7, 2012. Since the date of that hearing, Please Mum has engaged in discussions with landlords and carefully considered the advice of its counsel and the Monitor regarding the viability of a potential restructuring.

2. Please Mum has concluded that a Plan of Compromise and Arrangement will not be feasible. 0710345 B.C. Ltd. ("**071**") has agreed to purchase the assets of Please Mum subject to Court approval and the Petitioners submit that it is in the best interests of Please Mum's stakeholders to conclude such a sale.

The Asset Purchase Agreement

3. Please Mum and 071 have executed an asset purchase agreement (the "**APA**"), dated May 2, 2012, between Please Mum, as Vendor, and 071, as Purchaser.

4. Among other things, the APA provides that:

- (a) 071 has agreed to purchase all of the personal property (including interests as tenant under certain leases of retail space) of Please Mum except for such personal property, if any, which is charged by perfected security interests registered against Please Mum's personal property in accordance with applicable provincial personal property security legislation in priority to 071 (such personal property of Please Mum with such exclusion being the "**Assets**") for the purchase price of \$150,000 (the "**Purchase Price**") to be paid by way of credit bid;
- (b) the sale of the Assets pursuant to the APA is subject to Court approval on or before May 7, 2012;
- (c) 071 has the right to assign the benefit of the APA to World Shake. However, in the event of such assignment, 071 shall continue to be bound, with World Shake, for all of 071's covenants and obligations under the APA notwithstanding such assignment.

5. 071 has agreed to assign the benefit of the APA to World Shake, thus the Petitioners are seeking a vesting order to convey the Assets to World Shake.

Value of Assets

6. Pursuant to the APA, 071 has agreed to pay the Purchase Price by way of credit bid in the amount of \$150,000.

7. Please Mum's only current asset of any significant value is the remaining inventory which has been appraised by Century Services Inc. at a net liquidation value of \$83,700 as of April 22, 2012.

8. The approximate book value of the non-current assets is \$1.2 million. With respect to the various categories of non-current assets, the Petitioners note that:

- (a) the furniture and equipment are old and of nominal value;
- (b) the cash registers, leasehold improvements and computer software and hardware have no saleable value and are of no use to anyone other than someone with the capability and intention to operate the business;
- (c) the equipment under lease is used and of limited or no saleable value;
- (d) the artwork would likely generate little or no interested buyers and the Petitioners submit that it is likely worth 50% or less of the book value. The Petitioners further note that in 2011, Please Mum attempted to sell the artwork in order to reduce its indebtedness to Royal Bank of Canada ("RBC") but was unsuccessful; and
- (e) the Petitioners submit that there would be substantial liquidation costs associated with selling the non-current assets. In particular, much of the leasehold improvements are customized for the retail store spaces and would be of little or no use or value to anyone else and therefore the Petitioners submit that the cost of removing such improvements from the retail spaces would exceed any value, even if any potential purchaser for such customized items could be found;

9. Given the depleted inventory mix, the age of the inventory and the specialized nature of the other Assets and their age, the Petitioners believe that that there is virtually no market for the Assets and any time or money spent on marketing the Assets would be wasted as the Assets would only be of any value to someone who wishes to continue the business and has the means to do so.

10. The Petitioners submit that the Purchase Price of \$150,000 reflects the fair market value of the Assets.

Basis for Credit Bid

11. As indicated above, subject to Court approval, 071 has agreed to pay for the Purchase Price for the Assets by way of credit bid.

12. Pursuant to an assignment agreement (the "**Assignment Agreement**") between RBC, 071, Kathryn Adrian and Jeffrey Murton, RBC assigned to 071 the following security originally granted to RBC by Please Mum (collectively, the "**Security**"):

- (a) a general security agreement, dated May 14, 2002, granted by the Please Mum Partnership (the "**Partnership**") in favour of RBC;
- (b) a general security agreement, dated July 21, 1997, granted by Elia Fashions Ltd. ("**Elia**") in favour of RBC;
- (c) a general security agreement, dated May 14, 2002, granted by Bossa Nova Fashions Ltd. ("**Bossa**") in favour of RBC;
- (d) Guarantee and Postponement of Claim limited to the amount of \$7,000,000, dated January 14, 2008, granted by Bossa and Elia in respect of the obligations of the Partnership to RBC;
- (e) Postponement of Claim, dated December 31, 2007, granted by World Shake in respect of the obligations of the Partnership and Elia to RBC; and
- (f) Guarantee and Postponement of Claim limited to the amount of \$1,000,000, dated July 2011, granted by Ms. Adrian in respect of the obligations of the Partnership and Elia to RBC.

13. Further pursuant to the Assignment Agreement, Mr. Murton and Ms. Adrian assigned to 071 certain debts owing to them by Please Mum totalling \$1,180,000, which are secured by the Security in favour of 071.

14. Please Mum is indebted to 071 in the amount of \$2,746,625 as of April 22, 2012, inclusive of the debt assigned to 071 by Ms. Adrian and Mr. Murton.

15. Copies of the Assignment Agreement, the Security and financing statements registered in the applicable provincial personal property security registries in respect of the Security assigned to by RBC to 071 have been provided to the Monitor's counsel to independently confirm the priority of 071's security over the personal property of Please Mum.

16. 071 is relying on the Security assigned pursuant to the Assignment Agreement and the indebtedness in the amount of \$2,746,625 owed by Please Mum to 071 as the basis for its credit bid for the Assets.

Assignment of Leases

17. Subject to Court approval, 071 has agreed to purchase, as part of the Assets, assignments of Please Mum's interests as tenant pursuant to the leases (the "Leases") for 13 retail spaces which 071 has agreed to assign to World Shake.

18. World Shake is a successful, solvent company which owns the majority of the merchandise currently being sold in Please Mum's retail stores by consignment. It is clear that World Shake is a superior tenant to Please Mum which is insolvent.

19. World Shake has the financial means to remedy the monetary defaults in relation to the Leases. World Shake has set aside sufficient funds to cure the monetary defaults following the closing of the APA. Please Mum owes an aggregate of \$72,019 in relation to unpaid rent for February 1 - 29, 2012. Please Mum also has rent payments to be made for the period of May 1 – 31, 2012 totalling \$84,729.40. World Shake can and will pay these amounts by May 11, 2012, following the closing of the APA.

Interests of Stakeholders

20. The Petitioners submit that the approval and completion of the APA is in the best interests of Please Mum's stakeholders. The Petitioners note that:

- (a) the purchase of the Assets will provide the landlords of the Leases with payment of arrears plus ongoing rental income from a tenant with greater financial strength than Please Mum; and
- (b) World Shake intends to use the Assets to operate a children's retail clothing business which is expected to employ approximately 150 former Please Mum employees.

PART 3: LEGAL BASIS

1. *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, including section 36 therein; and
2. the inherent jurisdiction of this Honourable Court.

PART 4: MATERIAL TO BE RELIED ON

1. Affidavit #5 of Kathryn Adrian, sworn May 2, 2012
2. The Monitor's Fifth Report to the Court, to be filed;
3. Pleadings and proceedings previously filed herein;

The Petitioners estimate that the application will take **30 minutes**.

This matter is **not** within the jurisdiction of a Master.
The Honourable Mr. Justice Burnyeat is seized of this matter.

Date: May 2, 2012



Signature Petitioners' Lawyer

To be completed by the Court only:

Order made

in the terms requested in paragraphs _____ of Part 1 of this Notice of Application

with the following variations and additional terms:

Date:

Signature of Judge Master

APPENDIX

THIS APPLICATION INVOLVES THE FOLLOWING:

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

SCHEDULE "A" – SERVICE LIST

NO. S118142
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

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partner of PLEASE MUM PARTNERSHIP) and
BOSSA NOVA FASHIONS LTD. (in its own capacity and in its capacity as a partner of
PLEASE MUM PARTNERSHIP)

PETITIONERS

<p>Fraser Milner Casgrain LLP 250 Howe Street, 20th Floor Vancouver, BC V6C 3R8</p> <p><u>Attention:</u> John Sandrelli/Cindy Cheuk</p> <p>Telephone: (604) 443-7132 (J. Sandrelli) (604) 691-6463 (C. Cheuk)</p> <p>Facsimile: (604) 683-5214</p> <p>Email: john.sandrelli@fmc-law.com/ cindy.cheuk@fmc-law.com</p> <p>cc: Kelly Tsang – Kelly.tsang@fmc-law.com cc: Robin Peardon – robin.peardon@fmc-law.com cc: F. Thibodeau – fran.thibodeau@fmc-law.com cc: M. Vincenzi – melana.vincenzi@fmc-law.com cc: Avic Arenas – avic.arenas@fmc-law.com</p> <p><i>Counsel for the Petitioners</i></p>	<p>Deloitte & Touche Inc. P.O. Box 49279 #2800 – 1055 Dunsmuir Street Vancouver B.C. V7X 1P4</p> <p><u>Attention:</u> Huey Lee</p> <p>Telephone: (604) 640-3060 Facsimile: (604) 899-2950 Email: huelee@deloitte.ca</p> <p><i>Monitor</i></p>
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SCHEDULE "A" – SERVICE LIST

<p>Alvarez & Marsal Canada ULC #1680 – 400 Burrard Street Vancouver, B.C. V6C 3A6</p> <p>Attention: Todd Martin/Pam Boparai</p> <p>Telephone: (604) 638-7445 (T. Martin) (604) 443-5030 (P. Boparai)</p> <p>Facsimile: (604) 638-7441</p> <p>Email: tmartin@alvarezandmarsal.com/ pboparai@alvarezandmarsal.com</p> <p><i>Consultant to the Royal Bank of Canada</i></p>	<p>Fasken Martineau DuMoulin LLP #2900 – 550 Burrard Street Vancouver, B.C. V6C 0A3</p> <p>Attention: Brent Lewis/John Grieve</p> <p>Telephone: (604) 631-4889 (B. Lewis) (604) 631-4772 (J. Grieve)</p> <p>Facsimile: (604) 632-4889</p> <p>Email: blewis@fasken.com/ jgrieve@fasken.com</p> <p><i>Counsel for the Royal Bank of Canada</i></p>
<p>Office of the Superintendent of Bankruptcy Canada (CCAA)</p> <p>Fax: 1-877-827-7139</p> <p>Email: ccaa_lacc@ic.gc.ca</p>	<p>Deloitte & Touche Inc. 2800 - 1055 Dunsmuir St, Vancouver, BC, V7X 1P4</p> <p>Attention: Ilya Margulis</p> <p>Direct (604) 640-3044</p> <p>Fax 604-899-8159</p> <p>Email: imargulis@deloitte.ca</p> <p><i>Monitor</i></p>
<p>McLean & Kerr LLP Suite 2800 130 Adelaide Street West Toronto, ON V5H 3P5</p> <p>Attention: Linda Galessiere Phone: 416-369-6609 Fax: 416 366 8571 Email: lgalessiere@mcleankerr.com</p> <p>Attention: Wally Stevenson Phone: 416.369.6602 Fax: 416 366 8571 Email: wstevenson@mcleankerr.com</p> <p>cc: Phil Harrs at Ivanhoe pharrs@ivanhoecambridge.com</p> <p><i>Counsel for: Ivanhoe Cambridge Inc., 20 VIC Management Inc (on behalf of OPB Realty Inc. and Lansdowne Mall Inc.), Morguard Investments Limited, Retrocom Mid Market REIT, Crombie Real Estate Investment Trust and Primaris Retail Real Estate Investment Trust</i></p>	<p>Lawson Lundell LLP 1600 – 925 West Georgia Street Vancouver BC V6C 3L2</p> <p>Attention: Michael Morgan Phone: 604 685 3456 Fax: 604 669 1620 Email: mmorgan@lawsonlundell.com</p> <p>cc Email: wroberts@lawsonlundell.com</p> <p><i>Counsel for Shape Properties (Lougheed) Ltd. and Shape Properties (Brentwood) Ltd.</i></p>

SCHEDULE "A" – SERVICE LIST

<p>Ivanhoe Cambridge Inc. 95 Wellington Street West, Suite 300 Toronto ON M5J 2R2</p> <p>Attention: Kari Kim – Gallately (Solicitor - Legal Affairs – Western Region)</p> <p>Phone: 416 369 1200 Fax: 416 369 1327 Email: kkim@ivanhoecambridge.com</p> <p><i>Internal Counsel for Invanhoe Cambridge Inc.</i></p>	<p>Fernandes Hearn LLP 155 University Ave Suite 700 Toronto ON M5H 3B7</p> <p>Attention: David Huard Phone: 416 203 9500 Fax: 416 203 9444 Email: david@fernandeshearn.com</p> <p><i>Counsel for Creditors, Tianjin Garment Import & Export Co. Ltd., Jiangsu Guotai International Group Winsum Imp. & Exp. Co. Ltd., China Jiangsu Machinery & Equipment Import & Export Group Corp., Ningbo Original Textile & Apparel Co. Ltd. and Quik-X Transportation Inc. and Jiangsu Saintek Co. Ltd. Shanghai Sainty International Trading Co. Ltd.</i></p>
<p>Blakes 595 Burrard Street PO Box 49314 Suite 2600, Three Bentall Centre Vancouver, BC V7X 1L3</p> <p>Attention: Peter Rubin</p> <p>Phone: 604-631-3315 Fax: 604-631-3309 Email peter.rubin@blakes.com</p> <p><i>Counsel for : Experian Marketing Solutions Inc</i></p>	<p>Gehlen Dabbs Lawyers 1201 – 1030 W. Georgia Street Vancouver BC V6E 2Y3</p> <p>Attention: Gregory J. Gehlen</p> <p>Phone: 604 642 6401 Fax: 604 642 6433 Email: gg@gdlaw.ca</p> <p><i>Local Agent for McLean & Kerr</i></p>
<p>Can Legal Lawyer Referral 3100 Steeles Avenue West Suite 200 Vaughan Ontario L4K 3R1</p> <p>Attention: Ken Groleau Phone: 905-532-2482 Email: kgroleau@canlegal.net</p> <p><i>Counsel for: Sameday Worldwide</i></p>	<p>Gowlings Barristers & Solicitors 550 Burrard Street Suite 2300, Bentall 5 Vancouver, BC V6C 2B5</p> <p>Attention: Colin Brousson Telephone: 604-891-2286 Fax: 604-683-3558 Email: colin.brousson@gowlings.com</p> <p><i>Counsel for Monitor</i></p>

SCHEDULE "A" – SERVICE LIST

<p>Department of Justice 900 – 840 Howe Street Vancouver BC V6Z 2S9</p> <p>Attention: Jason Levine Phone: 604-666-0632 Email: jason.levine@justice.gc.ca</p> <p><i>Counsel for: Canada Revenue Agency</i></p>	<p>Department of Justice 900 – 840 Howe Street Vancouver BC V6Z 2S9</p> <p>Attention: Donnaree Nygard Phone: 604-666-3049 Email: donaree.nygard@justice.gc.ca</p> <p>Attention: Melissa Nicolls Phone: 604-666-1752 Email: Melissa.Nicolls@justice.gc.ca</p> <p><i>Counsel for Federal Crown</i></p>
<p>Susan Mckeown</p> <p>Email: Susan_mckeown@shaw.ca</p> <p><i>Former Employee</i></p>	<p>Gehlen Dabbs Lawyers 1201 – 1030 W. Georgia Street Vancouver BC V6E 2Y3</p> <p>Attention: Gregory J. Gehlen Phone: 604 642 6401 Fax: 604 642 6433 Email: gg@gdlaw.ca</p> <p><i>Counsel for the following Landlords: OPB Realty Inc. c/o VIC Management Inc., Morguard Investments Limited, Crombie Real Estate Investment Trust, Ivanhoe Cambridge Inc. – Winnipeg, Ivanhoe Cambridge Inc. – Vaughan, Crombie Real Estate Investment Trust, Crombie Real Estate Investment Trust, Primaris Realty</i></p>
<p>Londonderry Shopping Centre Inc. Londonderry Mall, Management Office 137th Avenue And 66th Street Edmonton, AB T5C 3C8</p> <p>Attention: Charlene Robertson Phone: 780-475-9266 Email: charlener@londonerrymall.com</p> <p><i>Landlord</i></p>	<p>Sherwood Park Mall Limited c/o T&T Properties 315 – 25th Street East Saskatoon, Saskatchewan S7K 0L4</p> <p>Attention: Ian J. MacKay Phone: 403-225-5975 Email: imackay@ttproperties.com</p> <p><i>Landlord</i></p>

SCHEDULE "A" – SERVICE LIST

<p>West Edmonton Mall Property Inc. 3000, 8882 – 170th Street Edmonton, AB T5T 4M2</p> <p>Attention: Dean Shaben Phone: 780-444-5200 Email: dean.shaben@wem.ca</p> <p><i>Landlord</i></p>	<p>HPI Realty Management Inc.</p> <p>Attention: Brittany Heath Phone: 647-722-6472 Email: brittany@highpeak.ca</p> <p><i>Landlord</i></p>
<p>4477474 B.C. Ltd. Kenji Hasegawa and Yoshiko c/o Pacific Asset Management Company Suite 410 – 145 Chadwick Court North Vancouver, BC V7M 3K1</p> <p>Attention: William Berry Phone: 604-980-3889 Email: bill@pmac.ca</p> <p><i>Landlord</i></p>	

SCHEDULE "B"

NO. S118142
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

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partner of PLEASE MUM PARTNERSHIP) and
BOSSA NOVA FASHIONS LTD. (in its own capacity and in its capacity as a partner of
PLEASE MUM PARTNERSHIP)

PETITIONERS

ORDER MADE AFTER APPLICATION

BEFORE THE HONOURABLE)
MR. JUSTICE BURNYEAT) MONDAY, the 7th DAY
OF MAY, 2012

ON THE APPLICATION of the Petitioners coming on for hearing at Vancouver, British Columbia on May 7, 2012; AND ON HEARING John R. Sandrelli, counsel for the Petitioners and those other counsel listed in **Schedule "A"** hereto; AND ON READING the Petitioners' Notice of Application, dated May 2, 2012, the Affidavit #5 of Kathryn Adrian and the Monitor's 3rd Report to the Court; AND PURSUANT TO section 36 of the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended;

THIS COURT ORDERS that:

1. The sale of the "**Assets**", as defined in paragraph 1 of the Asset Purchase Agreement (the "**Asset Purchase Agreement**"), dated May 2, 2012, a copy of which is attached as **Schedule "B"** to this Order, of Elia Fashions Ltd., Bossa Nova Fashions Ltd. and Please Mum Partnership (collectively, "**Please Mum**"), on the terms and conditions set out in the Asset Purchase Agreement, for \$150,000 (the "**Purchase Price**") to be paid by way of credit bid by 071, is hereby authorized and approved.

2. Upon payment in full of the Purchase Price by way of credit bid from 0710345 B.C. Ltd. in accordance with the terms of the Asset Purchase Agreement, all of Please Mum's right, title and interest in and to the Assets shall be transferred to and vest absolutely and exclusively in the name of the assignee of the benefit of the Asset Purchase Agreement, World Shake Productions Inc., as the registered and beneficial owner without further instrument of transfer or discharge, free and clear of 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 in favour of any person, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including without limitation all charges created by any order of this Court, all equities of redemption of Please Mum and its successors and assigns and all persons claiming by or through Please Mum.

3. The parties may apply for such further orders or directions as may be necessary to carry out this Order.

4. Endorsement of this Order by counsel appearing on this application, other than counsel for the Petitioners, 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:

John R. Sandrelli, Lawyer for the Petitioners

By the Court.

Registrar

Schedule A – List of Counsel

Counsel	Name of Party
John R. Sandrelli	Petitioners.
Colin Brousson	The Monitor

Schedule B - Asset Purchase Agreement

SCHEDULE "B"

ASSET PURCHASE AGREEMENT

This Agreement dated for reference the 2nd day of May, 2012.

BETWEEN:

Elia Fashions Ltd., Bossa Nova Fashions Ltd. and Please Mum Partnership
(the "**Vendor**"),

AND:

0710345 B.C. Ltd.

the ("**Purchaser**")

WHEREAS:

- A. The Vendor is the owner of the "**Assets**" (as herein defined).
- B. The Vendor has obtained creditor protection pursuant in proceedings commenced under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, in Supreme Court of British Columbia (the "**Court**") Vancouver Registry No. S118142 (the "**CCAA Proceeding**");
- C. The Vendor is indebted to the Purchaser in the amount of \$2,746,625 as at April 22, 2012, which amount is secured pursuant to the security (the "**Security**") described in **Schedule "A"** to this Agreement, which was assigned to the Vendor by the Assignment of Security made between Royal Bank of Canada, as Assignor, and the Purchaser, as Assignee;
- D. The Purchaser has agreed to purchase and the Vendor has agreed to sell the "**Assets**" (as herewith defined) on the terms and conditions hereinafter set forth in this Agreement.

NOW, THEREFORE, THIS AGREEMENT WITNESSETH that for consideration the parties hereto agree as follows:

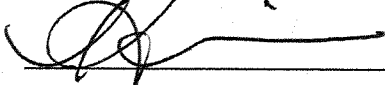
1. Upon the terms and conditions hereof the Vendor agrees to sell to the Purchaser and the Purchaser hereby agrees to buy for the sum of \$150,000 (the "**Purchase Price**"), payable by way of credit bid by the Purchaser, all of the personal property of the Vendor wheresoever situate as of the date of the closing (the "**Closing**") of the asset purchase provided for herein (the "**Assets**"), which shall include, without limiting the generality of the foregoing, the interests of the Vendor as tenant pursuant to real property leases with certain landlords for the retail store spaces described in **Schedule "B"** to this Agreement, provided however that the Assets shall exclude such personal property, if any, which is charged by perfected security interests registered against the Vendor's personal property

in accordance with applicable provincial personal property security legislation in priority to the Purchaser.

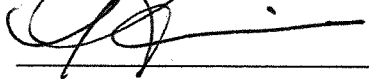
2. The Purchase Price will be paid and satisfied at Closing by way of a credit bid in the amount of \$150,000 by the Purchaser.
3. All of the Assets are sold on an "as is where is" basis.
4. The Vendor makes no representations or warranties, express, implied, statutory or otherwise as to the physical condition of the Assets, their fitness for any particular purpose or the quality thereof.
5. The Vendor's acceptance of this Agreement is subject to approval by the Court in the CCAA Proceeding on or before May 7, 2012 and shall become effective from the time an Order is made approving this Agreement.
6. The Purchaser is liable for and will pay any applicable registration charges and transfer fees properly payable upon and in connection with the sale and transfer of the Assets by the Vendor to the Purchaser.
7. The Closing of this Agreement shall take place one business day after Court approval.
8. At the Closing, the Vendor shall deliver to the Purchaser:
 - (a) a Bill of Sale, substantially in the form attached as **Schedule "C"** to this Agreement, duly executed by the Vendor appropriate to evidence transfer of title to the Assets to the Purchaser to the extent contemplated by this Agreement; and
 - (b) a copy of the Court Order approving the sale of the Assets.
9. At the Closing, the Purchaser shall deliver to the Vendor an Acknowledgment of Partial Payment, substantially in the form attached as **Schedule "D"**, duly executed by the Purchaser, appropriate to evidence that the indebtedness of the Vendor to the Purchaser has been reduced by the sum of \$150,000.
10. The Purchaser shall have possession and all right, title and interest of and to the Assets upon completion of Closing.
11. The Vendor and the Purchaser agree that the Purchaser shall have the right to assign the benefit of this Agreement to its nominee, World Shake Productions Inc. ("**World Shake**") and, in the event of such assignment, both the Purchaser and World Shake shall be bound by the obligations and covenants of the Purchaser set out in this Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the day and year first above written.

ELIA FASHIONS LTD.

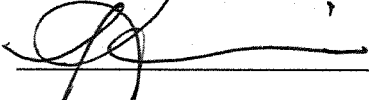
Per:  _____

BOSSA NOVA FASHIONS LTD.


Per:  _____

PLEASE MUM PARTNERSHIP, by its Partners:

ELIA FASHIONS LTD.

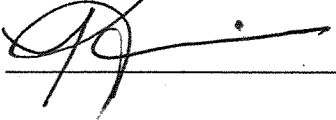
Per:  _____

BOSSA NOVA FASHIONS LTD.

Per:  _____

We, Elia Fashions Ltd. and Bossa Nova Fashions Ltd., have the capacity to bind Please Mum Partnership.

0710345 B.C. LTD.

Per:  _____

SCHEDULE A

Security Relating to Purchaser's Credit Bid

1. General Security Agreement, dated May 14, 2002, granted by Please Mum Partnership (the "**Partnership**") in favour of Royal Bank of Canada ("**RBC**");
2. General Security Agreement, dated May 14, 2002, granted by Bossa Nova Fashions Ltd. ("**Bossa**") in favour of RBC;
3. General Security Agreement, dated July 21, 1997, granted by Elia Fashions Ltd. ("**Elia**") in favour of RBC;
4. Guarantee and Postponement of Claim limited to the amount of \$7,000,000, dated January 14, 2008, granted by Bossa and Elia in respect of the obligations of the Partnership to RBC;
5. Postponement of Claim, dated December 31, 2007, granted by World Shake Productions Inc. in respect of the obligations of the Partnership and Elia to RBC; and
6. Guarantee and Postponement of Claim limited to the amount of \$1,000,000, dated July 2011, granted by Kathryn Adrian in respect of the obligations of the Partnership and Elia to RBC.

SCHEDULE B

Retail Store Locations for Leases to be Assigned from Vendor to Purchaser

Store Name	Shopping Mall	Address	Landlord
Londonderry	Londonderry Mall	Unit 27 - 66 th Street & 137 th Avenue, Edmonton, AB	Londonderry Shopping Centre Inc.
St. Vital	St. Vital Center	Unit 92 - 1225 St. Mary's Road, Winnipeg, MB	OPB Realty Inc. (c/o 20 VIC Management Inc.)
Sherwood Park	Sherwood Park Mall	Unit 212 - 2020 Sherwood Drive, Sherwood Park, AB	Sherwood Park Mall Limited (c/o T&T Properties)
West Edmonton	West Edmonton Mall	1083 - 8882, 170 th Street, Edmonton, AB	West Edmonton Mall Property Inc.
Shoppers	Shoppers Mall	Unit 4B - 1570, 18 th Street, Brandon, MB	Morguard Investments Limited
Avalon	Avalon Mall	Unit 0230 - 48 Kenmount Road, St. John's, NFLD	Crombie Real Estate Investment Trust
Kildonan Place	Kildonan Place	Unit T10 - 1555 Regent Avenue West, Winnipeg, MB	Ivanhoe Cambridge Inc.
Vaughan Mills	Vaughan Mills Shopping Center	Unit 267 - 1 Bass Pro Mills Drive, Vaughan, ON	Ivanhoe Cambridge Inc.
Mayflower	Mayflower Mall	Unit 2 - 800 Grand Lake Road, Sydney, NS	HPI Realty Management Inc.
County Fair	County Fair Mall	Unit 0275 - 9526 Commercial Street, New Minas, NS	Crombie Real Estate Investment Trust
Highland	Highland Square	Unit 0165 - 689 Westville Road, New Glasgow, NS	Crombie Real Estate Investment Trust
Broadway	N/A	2951 West Broadway, Vancouver, BC	4477474 B.C. Ltd., Kenji Hasegawa and Yoshiko Hasegawa (c/o Pacific Asset Management Company)
Midtown Plaza	Midtown Plaza	Unit T066 - 201, 1 st Street South, Saskatoon, SK	Primaris REIT

SCHEDULE C

BILL OF SALE (ABSOLUTE)

THIS AGREEMENT made the ___ day of MAY, 2012.

BETWEEN:

Elia Fashions Ltd., Bossa Nova Fashions Ltd. and Please Mum Partnership
(the "Vendor"),

AND:

0710345 B.C. Ltd.

the ("Purchaser")

WHEREAS

A. The Vendor is the owner of the "Assets" as defined in the Asset Purchase Agreement (the "Asset Purchase Agreement"), dated May 2, 2012, between the Vendor and the Purchaser;

B. Pursuant to the Asset Purchase Agreement, the Vendor agreed to sell and the Purchaser agreed to purchase the Assets.

NOW THIS INDENTURE WITNESSETH:

1. In consideration of and for the sum of \$150,000 paid by way of credit bid by the Purchaser to the Vendor, the receipt whereof the Vendor hereby acknowledges, the Vendor does hereby transfer, convey, assign and set over unto the Purchaser, its successors and assigns, all of its right, title and interest in and to the Assets on an as-is-where-is basis, including the interests of the Vendor as tenant pursuant to real property leases with certain landlords for the retail spaces described in **Schedule "A"** to this Bill of Sale.

2. The Vendor shall from time to time and at all times hereafter upon request and at the cost of the Purchaser, execute such further assurances and do all such further acts as may be reasonably required for the purpose of vesting in the Purchaser all the right, title and interest of the Vendor in and to the Assets.

3. This Bill of Sale is supplemental to the Asset Purchase Agreement and is to be construed in connection therewith. The terms and conditions of the Asset Purchase Agreement shall not merge into this Bill of Sale and vice-versa.

4. This Bill of Sale shall enure to the benefit of and binding upon the parties hereto and their respective assigns and successors.

IN WITNESS WHERE the parties have executed this Bill of Sale as of the day and year first above written.

ELIA FASHIONS LTD.

Per: _____

BOSSA NOVA FASHIONS LTD.

Per: _____

PLEASE MUM PARTNERSHIP, by its Partners:

ELIA FASHIONS LTD.

Per: _____

BOSSA NOVA FASHIONS LTD.

Per: _____

We, Elia Fashions Ltd. and Bossa Nova Fashions Ltd., have the capacity to bind Please Mum Partnership.

0710345 B.C. LTD.

Per: _____

SCHEDULE A

Store Name	Shopping Mall	Address	Landlord
Londonderry	Londonderry Mall	Unit 27 - 66 th Street & 137 th Avenue, Edmonton, AB	Londonderry Shopping Centre Inc.
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West Edmonton	West Edmonton Mall	1083 - 8882, 170 th Street, Edmonton, AB	West Edmonton Mall Property Inc.
Shoppers	Shoppers Mall	Unit 4B - 1570, 18 th Street, Brandon, MB	Morguard Investments Limited
Avalon	Avalon Mall	Unit 0230 - 48 Kenmount Road, St. John's, NFLD	Crombie Real Estate Investment Trust
Kildonan Place	Kildonan Place	Unit T10 - 1555 Regent Avenue West, Winnipeg, MB	Ivanhoe Cambridge Inc.
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Broadway	N/A	2951 West Broadway, Vancouver, BC	4477474 B.C. Ltd., Kenji Hasegawa and Yoshiko Hasegawa (c/o Pacific Asset Management Company)
Midtown Plaza	Midtown Plaza	Unit T066 - 201, 1 st Street South, Saskatoon, SK	Primaris REIT

SCHEDULE D

ACKNOWLEDGMENT OF PARTIAL PAYMENT

Dated May 8, 2012

BETWEEN:

Elia Fashions Ltd., Bossa Nova Fashions Ltd. and Please Mum Partnership
(collectively, the "**Debtor**")

OF THE FIRST PART

AND:

0710345 B.C. Ltd.
(the "**Creditor**")

OF THE SECOND PART

WHEREAS:

- A. The Debtor was indebted to the Creditor in the amount of \$2,746,625 as of April 22, 2012 (the "**Debt**");
- B. The "**Assets**" of the Debtor, as defined in the Asset Purchase Agreement (the "**Asset Purchase Agreement**"), dated May 2, 2012, between the Debtor, as Vendor, and the Creditor, as Purchaser, attached as **Schedule "A"** to this Acknowledgment of Partial Payment, were sold to the Creditor as authorized and approved by the Supreme Court of British Columbia for the purchase price of \$150,000, paid by way of way of credit bid in the amount of \$150,000 (the "**Credit Bid**") against the Debt;
- C. The sale of the Assets pursuant to the Asset Purchase Agreement was completed on May 8, 2012.

NOW, THEREFORE, THE CREDITOR HEREBY ACKNOWLEDGES that the Debt is hereby reduced by the Credit Bid such that the Debtor is now indebted to the Creditor in the amount of \$2,596,625 as of the date of this Acknowledgment.

0710345 B.C. LTD.

Per: _____