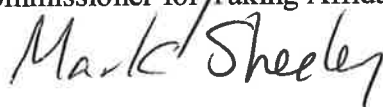


This is Exhibit "B" referred to in the Affidavit of Naveed Z. Manzoor, sworn before me at the City of Toronto, in the Province of Ontario, this 16th day of May, 2016.



Commissioner for Taking Affidavits



BLOCKED ACCOUNT AGREEMENT

THIS AGREEMENT is made as of _____, 2013

BETWEEN: **BANK OF MONTREAL**
(hereinafter called the "Bank")

AND: **BEN MOSS JEWELLERS WESTERN CANADA LTD**
(hereinafter called the "Borrower")

AND: **Salus Capital Partners LLC**
(hereinafter called "Creditor")

WHEREAS the Borrower has entered or is about to enter into financing arrangements with CREDITOR pursuant to which CREDITOR may from time to time make loans and advances and provide other financial accommodations to the Borrower secured by, among other things, all right, title and interest of Borrower in and to all present and future accounts, contract rights, general intangibles, documents, instruments, chattel paper, deposit and other bank accounts and proceeds of the foregoing;

AND WHEREAS the Borrower has established Canadian Dollar Account No. 0003-1080-867 and 1988-453 "CDN\$ Collection Account") with the Bank;

AND WHEREAS CREDITOR has established a Canadian Dollar and a U.S. Dollar Account with the Royal Bank of Canada (refer to schedule A for account details.

NOW THEREFORE in order for the Borrower to comply with the requirements of CREDITOR under its financing arrangements with the Borrower, and in consideration of the reciprocal obligations herein provided and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto, each of the Bank, the Borrower and CREDITOR agree as follows:

1. **Establishment of Accounts.** The Bank will maintain the Collection Accounts as long as the Borrower is in compliance with the terms of the Bank's account documentation with respect thereto.
2. **Deposits to Collection Accounts.** In connection with its financing arrangements with CREDITOR, the Borrower has agreed with CREDITOR to (i) in the case of proceeds that are denominated in the lawful currency of the United States of America, to deposit or cause to be deposited, all such proceeds of the collateral of CREDITOR to the US\$ Collection Account; and (ii) in the case of proceeds that are denominated in the lawful currency of Canada, deposit or cause to be deposited, all such proceeds of the collateral of CREDITOR to the CDN\$ Collection Account.
3. **Security Interest of CREDITOR.** The Borrower has granted to CREDITOR a security interest in and lien upon, and pledged to CREDITOR, its assets as described above, which include cheques, drafts and other instruments received for deposit in the Collection Accounts

- 2 -

and all amounts at any time in or attributable to the Collection Accounts, as security for all existing and hereafter arising obligations, liabilities and indebtedness of the Borrower to CREDITOR. CREDITOR acknowledges and agrees that it shall take whatever action it considers appropriate and necessary to protect and enforce its rights respecting the Collection Accounts, including completion and registration of any documents or financing statements in order to perfect any security interests in the Collection Account. The Bank makes no representations and assumes no liability respecting the validity or the enforceability of any security interest CREDITOR or any other party may have relating to the Collection Accounts or the existence of any other liens or other interests respecting the Collection Accounts. The Bank assumes no responsibility or liability for maintaining the perfection, registration or validity of the security interest of CREDITOR in the Collection Accounts.

4. **Exclusive Authority.** None of the officers, agents or other representatives of the Borrower or any of its affiliates shall have any authority to withdraw any amounts from, to draw upon or otherwise exercise any authority or powers with respect to the Collection Accounts and all amounts held therein. The Collection Accounts shall be under the sole dominion and control of CREDITOR. Accordingly, the Borrower shall not give any instructions with respect to the Collection Accounts other than those approved in writing by CREDITOR.
5. **No Duty to Inquire.** Subject to Section 11, the Bank will not have any duty to inquire whether or not CREDITOR is entitled to give, and has no duty to question, instructions, certificates or notices pursuant to any of the provisions of this Agreement or any other agreement. Any instructions, certificates or notices given by CREDITOR will be conclusive authority for the Bank to act in accordance with the instructions, certificates or notices whether or not CREDITOR is acting in good faith. The Bank is not obliged or required to monitor any requirements or obligations of CREDITOR or the Borrower pursuant to this Agreement or any other agreement.
6. **Account Transfers.** Unless and until the Bank shall receive written instruction from CREDITOR to the contrary, (i) all amounts in the CDN\$ Collection Account shall be automatically without further direction on a daily basis be remitted, at the Borrower's cost and expense, by transfer solely to the CREDITOR Account; Account 0003 1988-453 to be transferred to account 0003 1080-867 and one transfer to be remitted to the Creditor's account.
7. **Reporting.** At such time or times as CREDITOR may request, the Bank will promptly report to CREDITOR the amounts deposited in the Collection Accounts and will furnish to CREDITOR any copies of bank statements, deposit tickets, deposited items, debit and credit advices and other records maintained by the Bank under the terms of its arrangements with the Borrower (as in effect on the date hereof). The Borrower hereby expressly consents to the release of this information by the Bank to CREDITOR. CREDITOR will reimburse the Bank for its reasonable expenses in providing such items to CREDITOR.
8. **Charges and Waiver of Right of Set-Off.** Borrower shall be and at all times remain liable to the Bank for any and all fees and service charges relating to the Collection Accounts and chargebacks for any cheques, drafts and other payment items dishonoured or otherwise returned to the Bank with respect to the Collection Accounts (all such fees, service charges and chargebacks being hereinafter referred to, collectively, as "Charges"). The Borrower and CREDITOR hereby acknowledge and agree that the Bank shall be entitled to recover any and all Charges from the Collection Accounts and the Bank is hereby authorized to debit the Collection Accounts at any time to recover any and all Charges. The Bank may exercise its rights of set-off, consolidation and banker's lien to the extent required to satisfy any Charges, provided, that the Bank shall not exercise any such rights with respect to other liabilities owed to it by the Borrower. If there are

- 3 -

insufficient funds on deposit in the Collection Accounts to cover any outstanding Charges, the Borrower shall promptly pay to the Bank the amount of such Charges upon demand by the Bank. If the Borrower fails to pay such amount within ten (10) days of demand by the Bank, CREDITOR shall promptly pay to the Bank the amount of all such outstanding Charges upon written notification from the Bank.

9. **Compliance with Court Order.** Notwithstanding any other provision contained herein, the Bank shall have the right to automatically debit the Collection Accounts in accordance with any court order or notice of garnishment received by it, or any other legal requirement with which the Bank reasonably determines it is required to comply.
10. **Indemnity.** The Borrower and CREDITOR shall jointly and severally indemnify and hold harmless the Bank, its employees, officers and directors from and against any and all loss, liability, cost, claim and expense incurred (including, without limitation, reasonable legal fees and expenses) by the Bank, its employees, officers and directors with respect to the performance of this Agreement, including, without limitation, claims that the Bank was not properly authorized to transfer credit balances from the Collection Accounts to the CREDITOR Accounts.
11. **Scope of Duty.** The Bank undertakes to perform only such duties as are expressly set forth in this Agreement and to deal with the Collection Accounts and CREDITOR Accounts with the degree of skill and care that the Bank accords to all accounts and funds maintained and held by it on behalf of its customers. Notwithstanding any other provision of this Agreement, the parties agree that the Bank shall not be liable for any action taken by it or any of its directors, officers or employees in accordance with this Agreement except for its or their own gross negligence or willful misconduct. In no event shall the Bank be liable for losses or delays resulting from force majeure, computer malfunctions, interruption of communication facilities or other causes beyond the Bank's control or for indirect or consequential damages.
12. **Termination.** The Borrower shall have no right to terminate this Agreement or the account agreements relating to the Collection Accounts without the written consent of CREDITOR. The Bank may terminate this Agreement and/or the account agreements relating to the Collection Accounts upon thirty (30) days prior notice to CREDITOR thereof. CREDITOR may terminate this Agreement upon thirty (30) days prior notice to the Bank thereof. Upon any such termination, the Bank shall remit the entire balance of each Collection Account as provided in Section 6 hereof, save and except for the amount of any Charges owing to the Bank and subject to the rights of the Bank set out in Section 8 hereof.
13. **Amendments.** No change or modification of this Agreement is binding upon the parties unless it is in writing and signed by CREDITOR and the Bank.
14. **Successors and Assigns.** This Agreement shall be binding upon the Bank and its successors and assigns and enure to the benefit of CREDITOR and its successors and assigns.
15. **Notices.** Any notices or instructions permitted or required pursuant to this Agreement shall be in writing and shall be delivered to the party for which it is intended by registered mail (postage prepaid), prepaid courier or facsimile to the address of such party indicated below, or at such other address as any party hereto may stipulate by notice to the other parties from time to time. Any notice sent by registered mail shall be deemed to be received by the party for which it is intended five (5) business days after mailing. Any notice delivered by prepaid courier shall be deemed to be received by the party for which it is intended on the date of actual delivery thereof if such delivery occurs prior to 5:00 p.m. on such business day and, otherwise, on the next following business day. Any notice sent by facsimile shall be deemed to be received by the party

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for which it is intended on the next business day following transmission. The addresses for notice of the parties are as follows:

CREDITOR:

Salus Capital Partners LLC

197 First Ave., Suite 250

Needham, MA 02494

Attention: Danielle Prentis

Direct: 617-420-2820

Mobile: 508-282-0306

Email: dprentis@saluscapital.ca

Bank:

Bank of Montreal – first contact

Mimi Datto,

Director - Corporate Finance Group,

100 King St West, 11th floor

Toronto, Ont. M5X 1A1

Phone 416 867 3087

Fax 416 867 3119

Bank of Montreal – second contact

First Canadian Place Branch

100 King St West,

Toronto, Ont. M5X 1A1

Attention: The Manager

Fax 416 867 7098

Borrower:

BEN MOSS JEWELLERS WESTERN CANADA LTD

201 PORTAGE AVE SUITE 300

WINNIPEG MB R3B 3K6

Attention: Merv Moknowed

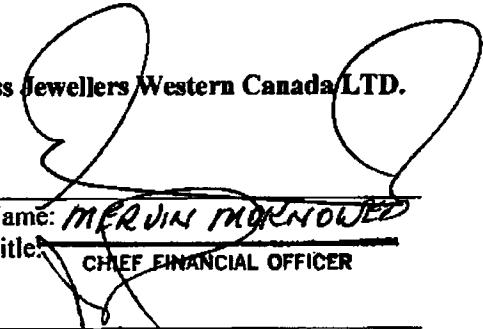
Phone – 204-988-0100, Fax – 204-988-0101

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16. **Severability.** If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision and the remainder of this Agreement shall continue in full force and effect.
17. **Further Assurances.** The parties agree that each of them shall, upon reasonable request of the other, do, execute, acknowledge and deliver such acts, deeds and agreements as may be necessary or desirable to give effect to the terms of this Agreement.
18. **Counterparts.** This Agreement may be executed in any number of counterparts with the same effect as if all parties hereto had all signed the same document. All counterparts shall be construed together and shall constitute one and the same original agreement.
19. **Governing Law.** This Agreement shall be governed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

Ben Moss Jewellers Western Canada LTD.

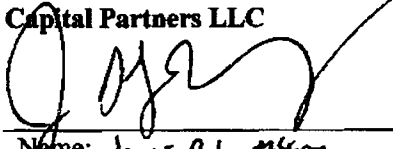
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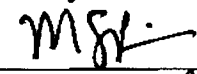

Name: MERWIN MORNOWED
Title: CHIEF FINANCIAL OFFICER

Name: BRENT TREPEL
Title: PRESIDENT & C.E.O.

Salus Capital Partners LLC

Per:


Name: James D.L. McLaughlin
Title: Senior Vice President


Name: M. S. Price
Title: Senior Vice President

BANK OF MONTREAL

Per:


Name: Cindy Rynka
Title: Managing Director

Name:
Title:

- 7 -

Schedule A

Wire Instructions in CAD Dollars or FOREIGN Currency

SWIFT Code: **ROYCCAT2**

Beneficiary: **000021533900**
Salus Capital Partners, LLC
Needham, MA US

Financial Institution #: **003**
Account with Bank: **RBC Main Branch - Toronto**
200 Bay Street, Main Floor
Toronto, ON M5J 2J5

Reference: **BEN MOSS JEWELLERS WESTERN CANADA LTD**

BLOCKED ACCOUNT AGREEMENT

THIS AGREEMENT is made as of _____, 2013

BETWEEN: **BANK OF MONTREAL**
(hereinafter called the "Bank")

AND: **J.S.N. Jewellery Inc.**
(hereinafter called the "Borrower")

AND: **Salus Capital Partners LLC**
(hereinafter called "Creditor")

WHEREAS the Borrower has entered or is about to enter into financing arrangements with CREDITOR pursuant to which CREDITOR may from time to time make loans and advances and provide other financial accommodations to the Borrower secured by, among other things, all right, title and interest of Borrower in and to all present and future accounts, contract rights, general intangibles, documents, instruments, chattel paper, deposit and other bank accounts and proceeds of the foregoing;

AND WHEREAS the Borrower has established Canadian Dollar Account No. 0002-1949-717 (the "CDN\$ Collection Account") and U.S. Dollar Account No. 0002- 4720-458 (the "US\$ Collection Account"; and together with the CDN\$ Collection Account, collectively, the "Collection Accounts") with the Bank;

AND WHEREAS CREDITOR has established a Canadian Dollar and a U.S. Dollar Account with the Royal Bank of Canada (refer to schedule A for account details).

NOW THEREFORE in order for the Borrower to comply with the requirements of CREDITOR under its financing arrangements with the Borrower, and in consideration of the reciprocal obligations herein provided and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto, each of the Bank, the Borrower and CREDITOR agree as follows:

1. **Establishment of Accounts.** The Bank will maintain the Collection Accounts as long as the Borrower is in compliance with the terms of the Bank's account documentation with respect thereto.
2. **Deposits to Collection Accounts.** In connection with its financing arrangements with CREDITOR, the Borrower has agreed with CREDITOR to (i) in the case of proceeds that are denominated in the lawful currency of the United States of America, to deposit or cause to be deposited, all such proceeds of the collateral of CREDITOR to the US\$ Collection Account; and (ii) in the case of proceeds that are denominated in the lawful currency of Canada, deposit or cause to be deposited, all such proceeds of the collateral of CREDITOR to the CDN\$ Collection Account.

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3. **Security Interest of CREDITOR.** The Borrower has granted to CREDITOR a security interest in and lien upon, and pledged to CREDITOR, its assets as described above, which include cheques, drafts and other instruments received for deposit in the Collection Accounts and all amounts at any time in or attributable to the Collection Accounts, as security for all existing and hereafter arising obligations, liabilities and indebtedness of the Borrower to CREDITOR. CREDITOR acknowledges and agrees that it shall take whatever action it considers appropriate and necessary to protect and enforce its rights respecting the Collection Accounts, including completion and registration of any documents or financing statements in order to perfect any security interests in the Collection Account. The Bank makes no representations and assumes no liability respecting the validity or the enforceability of any security interest CREDITOR or any other party may have relating to the Collection Accounts or the existence of any other liens or other interests respecting the Collection Accounts. The Bank assumes no responsibility or liability for maintaining the perfection, registration or validity of the security interest of CREDITOR in the Collection Accounts.
4. **Exclusive Authority.** None of the officers, agents or other representatives of the Borrower or any of its affiliates shall have any authority to withdraw any amounts from, to draw upon or otherwise exercise any authority or powers with respect to the Collection Accounts and all amounts held therein. The Collection Accounts shall be under the sole dominion and control of CREDITOR. Accordingly, the Borrower shall not give any instructions with respect to the Collection Accounts other than those approved in writing by CREDITOR.
5. **No Duty to Inquire.** Subject to Section 11, the Bank will not have any duty to inquire whether or not CREDITOR is entitled to give, and has no duty to question, instructions, certificates or notices pursuant to any of the provisions of this Agreement or any other agreement. Any instructions, certificates or notices given by CREDITOR will be conclusive authority for the Bank to act in accordance with the instructions, certificates or notices whether or not CREDITOR is acting in good faith. The Bank is not obliged or required to monitor any requirements or obligations of CREDITOR or the Borrower pursuant to this Agreement or any other agreement.
6. **Account Transfers.** Unless and until the Bank shall receive written instruction from CREDITOR to the contrary, (i) all amounts in the CDN\$ Collection Account shall be automatically without further direction on a daily basis be remitted, at the Borrower's cost and expense, by transfer solely to the CDN\$ CREDITOR Account; and (ii) all amounts in the US\$ Collection Account shall automatically and without further direction on a daily basis be remitted, at the Borrower's cost and expense, by transfer solely to the US\$ CREDITOR Account.
7. **Reporting.** At such time or times as CREDITOR may request, the Bank will promptly report to CREDITOR the amounts deposited in the Collection Accounts and will furnish to CREDITOR any copies of bank statements, deposit tickets, deposited items, debit and credit advices and other records maintained by the Bank under the terms of its arrangements with the Borrower (as in effect on the date hereof). The Borrower hereby expressly consents to the release of this information by the Bank to CREDITOR. CREDITOR will reimburse the Bank for its reasonable expenses in providing such items to CREDITOR.
8. **Charges and Waiver of Right of Set-Off.** Borrower shall be and at all times remain liable to the Bank for any and all fees and service charges relating to the Collection Accounts and chargebacks for any cheques, drafts and other payment items dishonoured or otherwise returned to the Bank with respect to the Collection Accounts (all such fees, service charges and chargebacks being hereinafter referred to, collectively, as "Charges"). The Borrower and CREDITOR hereby acknowledge and agree that the Bank shall be entitled to recover any and all Charges from the

- 3 -

Collection Accounts and the Bank is hereby authorized to debit the Collection Accounts at any time to recover any and all Charges. The Bank may exercise its rights of set-off, consolidation and banker's lien to the extent required to satisfy any Charges, provided, that the Bank shall not exercise any such rights with respect to other liabilities owed to it by the Borrower. If there are insufficient funds on deposit in the Collection Accounts to cover any outstanding Charges, the Borrower shall promptly pay to the Bank the amount of such Charges upon demand by the Bank. If the Borrower fails to pay such amount within ten (10) days of demand by the Bank, CREDITOR shall promptly pay to the Bank the amount of all such outstanding Charges to the extent received by the CREDITOR upon written notification from the Bank.

9. **Compliance with Court Order.** Notwithstanding any other provision contained herein, the Bank shall have the right to automatically debit the Collection Accounts in accordance with any court order or notice of garnishment received by it, or any other legal requirement with which the Bank reasonably determines it is required to comply.
10. **Indemnity.** The Borrower and CREDITOR shall jointly and severally indemnify and hold harmless the Bank, its employees, officers and directors from and against any and all loss, liability, cost, claim and expense incurred (including, without limitation, reasonable legal fees and expenses) by the Bank, its employees, officers and directors with respect to the performance of this Agreement, including, without limitation, claims that the Bank was not properly authorized to transfer credit balances from the Collection Accounts to the CREDITOR Accounts.
11. **Scope of Duty.** The Bank undertakes to perform only such duties as are expressly set forth in this Agreement and to deal with the Collection Accounts and CREDITOR Accounts with the degree of skill and care that the Bank accords to all accounts and funds maintained and held by it on behalf of its customers. Notwithstanding any other provision of this Agreement, the parties agree that the Bank shall not be liable for any action taken by it or any of its directors, officers or employees in accordance with this Agreement except for its or their own gross negligence or willful misconduct. In no event shall the Bank be liable for losses or delays resulting from force majeure, computer malfunctions, interruption of communication facilities or other causes beyond the Bank's control or for indirect or consequential damages.
12. **Termination.** The Borrower shall have no right to terminate this Agreement or the account agreements relating to the Collection Accounts without the written consent of CREDITOR. The Bank may terminate this Agreement and/or the account agreements relating to the Collection Accounts upon thirty (30) days prior notice to CREDITOR thereof. CREDITOR may terminate this Agreement upon prior notice to the Bank thereof. Upon any such termination, the Bank shall remit the entire balance of each Collection Account as provided in Section 6 hereof, save and except for the amount of any Charges owing to the Bank and subject to the rights of the Bank set out in Section 8 hereof.
13. **Amendments.** No change or modification of this Agreement is binding upon the parties unless it is in writing and signed by CREDITOR and the Bank.
14. **Successors and Assigns.** This Agreement shall be binding upon the Bank and its successors and assigns and enure to the benefit of CREDITOR and its successors and assigns.
15. **Notices.** Any notices or instructions permitted or required pursuant to this Agreement shall be in writing and shall be delivered to the party for which it is intended by registered mail (postage prepaid), prepaid courier or facsimile to the address of such party indicated below, or at such other address as any party hereto may stipulate by notice to the other parties from time to time. Any notice sent by registered mail shall be deemed to be received by the party for which it is

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intended five (5) business days after mailing. Any notice delivered by prepaid courier shall be deemed to be received by the party for which it is intended on the date of actual delivery thereof if such delivery occurs prior to 5:00 p.m. on such business day and, otherwise, on the next following business day. Any notice sent by facsimile shall be deemed to be received by the party for which it is intended on the next business day following transmission. The addresses for notice of the parties are as follows:

CREDITOR:

Salus Capital Partners LLC
197 First Ave., Suite 250
Needham, MA 02494
Attention: Danielle Prentis
Direct: 617-420-2820
Mobile: 508-282-0306
Email: dprentis@saluscapital.com

Bank:

Bank of Montreal – first contact
Mimi Dato,
Director - Corporate Finance Group,
100 King St West, 11th floor
Toronto, Ont. M5X 1A1
Phone 416 867 3087
Fax 416 867 3119

Bank of Montreal – second contact
First Canadian Place Branch
100 King St West,
Toronto, Ont. M5X 1A1
Attention: The Manager
Fax 416 867 7098

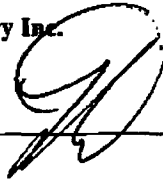
Borrower:

J.S.N. Jewellery Inc
64 Jardin Drive, Unit 7
Concord, Ont L4K 3P3
Attention: Catherine Miliauskas
Phone – 905 660 3277, Fax – 905 660 0803

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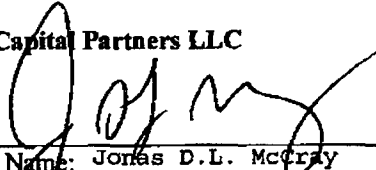
16. **Severability.** If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision and the remainder of this Agreement shall continue in full force and effect.
17. **Further Assurances.** The parties agree that each of them shall, upon reasonable request of the other, do, execute, acknowledge and deliver such acts, deeds and agreements as may be necessary or desirable to give effect to the terms of this Agreement.
18. **Counterparts.** This Agreement may be executed in any number of counterparts with the same effect as if all parties hereto had all signed the same document. All counterparts shall be construed together and shall constitute one and the same original agreement.
19. **Governing Law.** This Agreement shall be governed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

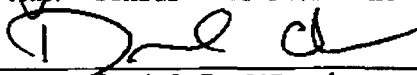
J.S.N. Jewellery Inc.

Per: 
Name:
Title:

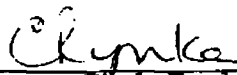
Name:
Title:

Salus Capital Partners LLC

Per: 
Name: Jonas D.L. McFray
Title: Senior Vice President


Name: Daniel F. O'Rourke
Title: Senior Vice President

BANK OF MONTREAL

Per: 
Name: Cindy Rynka
Title: Managing Director

Name:
Title:

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Schedule A

Wire Instructions in CAD Dollars

SWIFT Code: ROYCCAT2

Beneficiary: 000021533900
Salus Capital Partners, LLC
Needham, MA US

Financial Institution #: 003
Account with Bank: RBC Main Branch - Toronto
200 Bay Street, Main Floor
Toronto, ON M5J 2J5

Reference: JSN Jewellery

Wire Instructions in US Dollars

Destination: CHASUS33
JP Morgan Chase
New York, NY
ABA 021000021

Pay to Bank: ROYCCAT2
Royal Bank of Canada
Toronto, ON
UID 055253

Further credit to beneficiary: 000024016598
Salus Capital Partners, LLC
Needham, MA US
RBC Main Branch - Toronto
200 Bay Street, Main Floor
Toronto, ON M5J 2J5

Reference: JSN Jewellery

BLOCKED ACCOUNT AGREEMENT

THIS AGREEMENT is made as of June 18th, 2013

BETWEEN: **BANK OF MONTREAL**
(hereinafter called the "Bank")

AND: **J.S.N. Jewellery Inc.**
(hereinafter called the "Borrower")

AND: **Salus Capital Partners LLC**
(hereinafter called "Creditor")

WHEREAS the Borrower has entered or is about to enter into financing arrangements with CREDITOR pursuant to which CREDITOR may from time to time make loans and advances and provide other financial accommodations to the Borrower secured by, among other things, all right, title and interest of Borrower in and to all present and future accounts, contract rights, general intangibles, documents, instruments, chattel paper, deposit and other bank accounts and proceeds of the foregoing;

AND WHEREAS the Borrower has established Canadian Dollar Account No. 0002-1949-717 (the "CDN\$ Collection Account") and U.S. Dollar Account No. 0002-4720-458 (the "US\$ Collection Account"; and together with the CDN\$ Collection Account, collectively, the "Collection Accounts") with the Bank;

AND WHEREAS CREDITOR has established a Canadian Dollar and a U.S. Dollar Account with the Royal Bank of Canada (refer to schedule A for account details).

NOW THEREFORE in order for the Borrower to comply with the requirements of CREDITOR under its financing arrangements with the Borrower, and in consideration of the reciprocal obligations herein provided and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto, each of the Bank, the Borrower and CREDITOR agree as follows:

1. **Establishment of Accounts.** The Bank will maintain the Collection Accounts as long as the Borrower is in compliance with the terms of the Bank's account documentation with respect thereto.
2. **Deposits to Collection Accounts.** In connection with its financing arrangements with CREDITOR, the Borrower has agreed with CREDITOR to (i) in the case of proceeds that are denominated in the lawful currency of the United States of America, to deposit or cause to be deposited, all such proceeds of the collateral of CREDITOR to the US\$ Collection Account; and (ii) in the case of proceeds that are denominated in the lawful currency of Canada, deposit or cause to be deposited, all such proceeds of the collateral of CREDITOR to the CDN\$ Collection Account.

- 2 -

3. **Security Interest of CREDITOR.** The Borrower has granted to CREDITOR a security interest in and lien upon, and pledged to CREDITOR, its assets as described above, which include cheques, drafts and other instruments received for deposit in the Collection Accounts and all amounts at any time in or attributable to the Collection Accounts, as security for all existing and hereafter arising obligations, liabilities and indebtedness of the Borrower to CREDITOR. CREDITOR acknowledges and agrees that it shall take whatever action it considers appropriate and necessary to protect and enforce its rights respecting the Collection Accounts, including completion and registration of any documents or financing statements in order to perfect any security interests in the Collection Account. The Bank makes no representations and assumes no liability respecting the validity or the enforceability of any security interest CREDITOR or any other party may have relating to the Collection Accounts or the existence of any other liens or other interests respecting the Collection Accounts. The Bank assumes no responsibility or liability for maintaining the perfection, registration or validity of the security interest of CREDITOR in the Collection Accounts.
4. **Exclusive Authority.** None of the officers, agents or other representatives of the Borrower or any of its affiliates shall have any authority to withdraw any amounts from, to draw upon or otherwise exercise any authority or powers with respect to the Collection Accounts and all amounts held therein. The Collection Accounts shall be under the sole dominion and control of CREDITOR. Accordingly, the Borrower shall not give any instructions with respect to the Collection Accounts other than those approved in writing by CREDITOR.
5. **No Duty to Inquire.** Subject to Section 11, the Bank will not have any duty to inquire whether or not CREDITOR is entitled to give, and has no duty to question, instructions, certificates or notices pursuant to any of the provisions of this Agreement or any other agreement. Any instructions, certificates or notices given by CREDITOR will be conclusive authority for the Bank to act in accordance with the instructions, certificates or notices whether or not CREDITOR is acting in good faith. The Bank is not obliged or required to monitor any requirements or obligations of CREDITOR or the Borrower pursuant to this Agreement or any other agreement.
6. **Account Transfers.** Unless and until the Bank shall receive written instruction from CREDITOR to the contrary, (i) all amounts in the CDN\$ Collection Account shall be automatically without further direction on a daily basis be remitted, at the Borrower's cost and expense, by transfer solely to the CDN\$ CREDITOR Account; and (ii) all amounts in the US\$ Collection Account shall automatically and without further direction on a daily basis be remitted, at the Borrower's cost and expense, by transfer solely to the US\$ CREDITOR Account.
7. **Reporting.** At such time or times as CREDITOR may request, the Bank will promptly report to CREDITOR the amounts deposited in the Collection Accounts and will furnish to CREDITOR any copies of bank statements, deposit tickets, deposited items, debit and credit advices and other records maintained by the Bank under the terms of its arrangements with the Borrower (as in effect on the date hereof). The Borrower hereby expressly consents to the release of this information by the Bank to CREDITOR. CREDITOR will reimburse the Bank for its reasonable expenses in providing such items to CREDITOR.
8. **Charges and Waiver of Right of Set-Off.** Borrower shall be and at all times remain liable to the Bank for any and all fees and service charges relating to the Collection Accounts and chargebacks for any cheques, drafts and other payment items dishonoured or otherwise returned to the Bank with respect to the Collection Accounts (all such fees, service charges and chargebacks being hereinafter referred to, collectively, as "Charges"). The Borrower and CREDITOR hereby acknowledge and agree that the Bank shall be entitled to recover any and all Charges from the

- 3 -

Collection Accounts and the Bank is hereby authorized to debit the Collection Accounts at any time to recover any and all Charges. The Bank may exercise its rights of set-off, consolidation and banker's lien to the extent required to satisfy any Charges, provided, that the Bank shall not exercise any such rights with respect to other liabilities owed to it by the Borrower. If there are insufficient funds on deposit in the Collection Accounts to cover any outstanding Charges, the Borrower shall promptly pay to the Bank the amount of such Charges upon demand by the Bank. If the Borrower fails to pay such amount within ten (10) days of demand by the Bank, CREDITOR shall promptly pay to the Bank the amount of all such outstanding Charges to the extent received by the CREDITOR upon written notification from the Bank.

9. **Compliance with Court Order.** Notwithstanding any other provision contained herein, the Bank shall have the right to automatically debit the Collection Accounts in accordance with any court order or notice of garnishment received by it, or any other legal requirement with which the Bank reasonably determines it is required to comply.
10. **Indemnity.** The Borrower and CREDITOR shall jointly and severally indemnify and hold harmless the Bank, its employees, officers and directors from and against any and all loss, liability, cost, claim and expense incurred (including, without limitation, reasonable legal fees and expenses) by the Bank, its employees, officers and directors with respect to the performance of this Agreement, including, without limitation, claims that the Bank was not properly authorized to transfer credit balances from the Collection Accounts to the CREDITOR Accounts.
11. **Scope of Duty.** The Bank undertakes to perform only such duties as are expressly set forth in this Agreement and to deal with the Collection Accounts and CREDITOR Accounts with the degree of skill and care that the Bank accords to all accounts and funds maintained and held by it on behalf of its customers. Notwithstanding any other provision of this Agreement, the parties agree that the Bank shall not be liable for any action taken by it or any of its directors, officers or employees in accordance with this Agreement except for its or their own gross negligence or willful misconduct. In no event shall the Bank be liable for losses or delays resulting from force majeure, computer malfunctions, interruption of communication facilities or other causes beyond the Bank's control or for indirect or consequential damages.
12. **Termination.** The Borrower shall have no right to terminate this Agreement or the account agreements relating to the Collection Accounts without the written consent of CREDITOR. The Bank may terminate this Agreement and/or the account agreements relating to the Collection Accounts upon thirty (30) days prior notice to CREDITOR thereof. CREDITOR may terminate this Agreement upon prior notice to the Bank thereof. Upon any such termination, the Bank shall remit the entire balance of each Collection Account as provided in Section 6 hereof, save and except for the amount of any Charges owing to the Bank and subject to the rights of the Bank set out in Section 8 hereof.
13. **Amendments.** No change or modification of this Agreement is binding upon the parties unless it is in writing and signed by CREDITOR and the Bank.
14. **Successors and Assigns.** This Agreement shall be binding upon the Bank and its successors and assigns and enure to the benefit of CREDITOR and its successors and assigns.
15. **Notices.** Any notices or instructions permitted or required pursuant to this Agreement shall be in writing and shall be delivered to the party for which it is intended by registered mail (postage prepaid), prepaid courier or facsimile to the address of such party indicated below, or at such other address as any party hereto may stipulate by notice to the other parties from time to time. Any notice sent by registered mail shall be deemed to be received by the party for which it is

- 4 -

intended five (5) business days after mailing. Any notice delivered by prepaid courier shall be deemed to be received by the party for which it is intended on the date of actual delivery thereof if such delivery occurs prior to 5:00 p.m. on such business day and, otherwise, on the next following business day. Any notice sent by facsimile shall be deemed to be received by the party for which it is intended on the next business day following transmission. The addresses for notice of the parties are as follows:

CREDITOR:

Salus Capital Partners LLC
197 First Ave., Suite 250
Needham, MA 02494
Attention: Danielle Prentis
Direct: 617-420-2820
Mobile: 508-282-0306
Email: dprentis@saluscapital.com

Bank:

Bank of Montreal – first contact
Mimi Dato,
Director - Corporate Finance Group,
100 King St West, 11th floor
Toronto, Ont. M5X 1A1
Phone 416 867 3087
Fax 416 867 3119

Bank of Montreal – second contact
First Canadian Place Branch
100 King St West,
Toronto, Ont. M5X 1A1
Attention: The Manager
Fax 416 867 7098

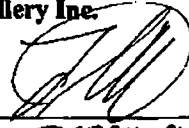
Borrower:

J.S.N. Jewellery Inc
64 Jardin Drive, Unit 7
Concord, Ont L4K 3P3
Attention: Catherine Miliauskas
Phone – 905 660 3277, Fax – 905 660 0803

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16. **Severability.** If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision and the remainder of this Agreement shall continue in full force and effect.
17. **Further Assurances.** The parties agree that each of them shall, upon reasonable request of the other, do, execute, acknowledge and deliver such acts, deeds and agreements as may be necessary or desirable to give effect to the terms of this Agreement.
18. **Counterparts.** This Agreement may be executed in any number of counterparts with the same effect as if all parties hereto had all signed the same document. All counterparts shall be construed together and shall constitute one and the same original agreement.
19. **Governing Law.** This Agreement shall be governed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

J.S.N. Jewellery Inc.

Per: 
 Name: JOSEPH SHILON
 Title: PRESIDENT

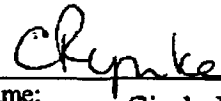
 Name:
 Title:

Salus Capital Partners LLC

Per: _____
 Name:
 Title:

 Name:
 Title:

BANK OF MONTREAL

Per: 
 Name: Cindy Rynka
 Title: Managing Director

 Name:
 Title:

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Schedule A

Wire Instructions in CAD Dollars

SWIFT Code: ROYCCAT2

Beneficiary: **000021533900**
Salus Capital Partners, LLC
Needham, MA US

Financial Institution #: **003**
Account with Bank: **RBC Main Branch - Toronto**
200 Bay Street, Main Floor
Toronto, ON M5J 2J5

Reference: JSN Jewellery

Wire Instructions in US Dollars

Destination: CHASUS33

JP Morgan Chase
New York, NY

ABA 021000021

Pay to Bank: ROYCCAT2

Royal Bank of Canada
Toronto, ON

UID 055253

Further credit to beneficiary: **000024016598**
Salus Capital Partners, LLC
Needham, MA US

RBC Main Branch - Toronto
200 Bay Street, Main Floor
Toronto, ON M5J 2J5

Reference: JSN Jewellery

BLOCKED ACCOUNT AGREEMENT

THIS AGREEMENT is made as of _____, 2013

BETWEEN: **BANK OF MONTREAL**
(hereinafter called the "Bank")

AND: **GMJ Corporation**
(hereinafter called the "Borrower")

AND: **Salus Capital Partners LLC**
(hereinafter called "Creditor")

WHEREAS the Borrower has entered or is about to enter into financing arrangements with CREDITOR pursuant to which CREDITOR may from time to time make loans and advances and provide other financial accommodations to the Borrower secured by, among other things, all right, title and interest of Borrower in and to all present and future accounts, contract rights, general intangibles, documents, instruments, chattel paper, deposit and other bank accounts and proceeds of the foregoing;

AND WHEREAS the Borrower has established U.S. Dollar Account No. 0002- 4720-394 (the "Collection Account") with the Bank;

AND WHEREAS CREDITOR has established a Canadian Dollar and a U.S. Dollar Account with the Royal Bank of Canada (refer to schedule A for account details).

NOW THEREFORE in order for the Borrower to comply with the requirements of CREDITOR under its financing arrangements with the Borrower, and in consideration of the reciprocal obligations herein provided and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto, each of the Bank, the Borrower and CREDITOR agree as follows:

1. **Establishment of Accounts.** The Bank will maintain the Collection Account as long as the Borrower is in compliance with the terms of the Bank's account documentation with respect thereto.
2. **Deposits to Collection Account.** In connection with its financing arrangements with CREDITOR, the Borrower has agreed with CREDITOR to (i) in the case of proceeds that are denominated in the lawful currency of the United States of America, to deposit or cause to be deposited, all such proceeds of the collateral of CREDITOR to the Collection Account..
3. **Security Interest of CREDITOR.** The Borrower has granted to CREDITOR a security interest in and lien upon, and pledged to CREDITOR, its assets as described above, which include cheques, drafts and other instruments received for deposit in the Collection Account and all amounts at any time in or attributable to the Collection Account, as security for all existing and hereafter arising obligations, liabilities and indebtedness of the Borrower to CREDITOR. CREDITOR acknowledges and agrees that it shall take whatever action it

- 2 -

considers appropriate and necessary to protect and enforce its rights respecting the Collection Account, including completion and registration of any documents or financing statements in order to perfect any security interests in the Collection Account. The Bank makes no representations and assumes no liability respecting the validity or the enforceability of any security interest CREDITOR or any other party may have relating to the Collection Account or the existence of any other liens or other interests respecting the Collection Account. The Bank assumes no responsibility or liability for maintaining the perfection, registration or validity of the security interest of CREDITOR in the Collection Account.

4. **Exclusive Authority.** None of the officers, agents or other representatives of the Borrower or any of its affiliates shall have any authority to withdraw any amounts from, to draw upon or otherwise exercise any authority or powers with respect to the Collection Account and all amounts held therein. The Collection Account shall be under the sole dominion and control of CREDITOR. Accordingly, the Borrower shall not give any instructions with respect to the Collection Account other than those approved in writing by CREDITOR.
5. **No Duty to Inquire.** Subject to Section 11, the Bank will not have any duty to inquire whether or not CREDITOR is entitled to give, and has no duty to question, instructions, certificates or notices pursuant to any of the provisions of this Agreement or any other agreement. Any instructions, certificates or notices given by CREDITOR will be conclusive authority for the Bank to act in accordance with the instructions, certificates or notices whether or not CREDITOR is acting in good faith. The Bank is not obliged or required to monitor any requirements or obligations of CREDITOR or the Borrower pursuant to this Agreement or any other agreement.
6. **Account Transfers.** Unless and until the Bank shall receive written instruction from CREDITOR to the contrary, all amounts in the US\$ Collection Account shall automatically and without further direction on a daily basis be remitted, at the Borrower's cost and expense, by transfer solely to the US\$ CREDITOR Account.
7. **Reporting.** At such time or times as CREDITOR may request, the Bank will promptly report to CREDITOR the amounts deposited in the Collection Account and will furnish to CREDITOR any copies of bank statements, deposit tickets, deposited items, debit and credit advices and other records maintained by the Bank under the terms of its arrangements with the Borrower (as in effect on the date hereof). The Borrower hereby expressly consents to the release of this information by the Bank to CREDITOR. CREDITOR will reimburse the Bank for its reasonable expenses in providing such items to CREDITOR.
8. **Charges and Waiver of Right of Set-Off.** Borrower shall be and at all times remain liable to the Bank for any and all fees and service charges relating to the Collection Account and chargebacks for any cheques, drafts and other payment items dishonoured or otherwise returned to the Bank with respect to the Collection Account (all such fees, service charges and chargebacks being hereinafter referred to, collectively, as "Charges"). The Borrower and CREDITOR hereby acknowledge and agree that the Bank shall be entitled to recover any and all Charges from the Collection Account and the Bank is hereby authorized to debit the Collection Account at any time to recover any and all Charges. The Bank may exercise its rights of set-off, consolidation and banker's lien to the extent required to satisfy any Charges, provided, that the Bank shall not exercise any such rights with respect to other liabilities owed to it by the Borrower. If there are insufficient funds on deposit in the Collection Account to cover any outstanding Charges, the Borrower shall promptly pay to the Bank the amount of such Charges upon demand by the Bank. If the Borrower fails to pay such amount within ten (10) days of demand by the Bank,

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CREDITOR shall promptly pay to the Bank the amount of all such outstanding Charges to the extent received by the CREDITOR upon written notification from the Bank.

9. **Compliance with Court Order.** Notwithstanding any other provision contained herein, the Bank shall have the right to automatically debit the Collection Account in accordance with any court order or notice of garnishment received by it, or any other legal requirement with which the Bank reasonably determines it is required to comply.
10. **Indemnity.** The Borrower and CREDITOR shall jointly and severally indemnify and hold harmless the Bank, its employees, officers and directors from and against any and all loss, liability, cost, claim and expense incurred (including, without limitation, reasonable legal fees and expenses) by the Bank, its employees, officers and directors with respect to the performance of this Agreement, including, without limitation, claims that the Bank was not properly authorized to transfer credit balances from the Collection Account to the CREDITOR Accounts.
11. **Scope of Duty.** The Bank undertakes to perform only such duties as are expressly set forth in this Agreement and to deal with the Collection Account and CREDITOR Accounts with the degree of skill and care that the Bank accords to all accounts and funds maintained and held by it on behalf of its customers. Notwithstanding any other provision of this Agreement, the parties agree that the Bank shall not be liable for any action taken by it or any of its directors, officers or employees in accordance with this Agreement except for its or their own gross negligence or willful misconduct. In no event shall the Bank be liable for losses or delays resulting from force majeure, computer malfunctions, interruption of communication facilities or other causes beyond the Bank's control or for indirect or consequential damages.
12. **Termination.** The Borrower shall have no right to terminate this Agreement or the account agreements relating to the Collection Account without the written consent of CREDITOR. The Bank may terminate this Agreement and/or the account agreements relating to the Collection Account upon thirty (30) days prior notice to CREDITOR thereof. CREDITOR may terminate this Agreement upon prior notice to the Bank thereof. Upon any such termination, the Bank shall remit the entire balance of each Collection Account as provided in Section 6 hereof, save and except for the amount of any Charges owing to the Bank and subject to the rights of the Bank set out in Section 8 hereof.
13. **Amendments.** No change or modification of this Agreement is binding upon the parties unless it is in writing and signed by CREDITOR and the Bank.
14. **Successors and Assigns.** This Agreement shall be binding upon the Bank and its successors and assigns and enure to the benefit of CREDITOR and its successors and assigns.
15. **Notices.** Any notices or instructions permitted or required pursuant to this Agreement shall be in writing and shall be delivered to the party for which it is intended by registered mail (postage prepaid), prepaid courier or facsimile to the address of such party indicated below, or at such other address as any party hereto may stipulate by notice to the other parties from time to time. Any notice sent by registered mail shall be deemed to be received by the party for which it is intended five (5) business days after mailing. Any notice delivered by prepaid courier shall be deemed to be received by the party for which it is intended on the date of actual delivery thereof if such delivery occurs prior to 5:00 p.m. on such business day and, otherwise, on the next following business day. Any notice sent by facsimile shall be deemed to be received by the party for which it is intended on the next business day following transmission. The addresses for notice of the parties are as follows:

- 4 -

CREDITOR:

Salus Capital Partners LLC
197 First Ave., Suite 250
Needham, MA 02494
Attention: Danielle Prentis
Direct: 617-420-2820
Mobile: 508-282-0306
Email: dprentis@saluscapital.com

Bank:

Bank of Montreal – first contact
Mimi Dato,
Director - Corporate Finance Group,
100 King St West, 11th floor
Toronto, Ont. M5X 1A1
Phone 416 867 3087
Fax 416 867 3119

Bank of Montreal – second contact
First Canadian Place Branch
100 King St West,
Toronto, Ont. M5X 1A1
Attention: The Manager
Fax 416 867 7098

Borrower:

GMJ Corporation
435 Martin St, Suite 2020
Blaine Washington, USA 98230
Attention: Catherine Miliauskas
Phone – 905 660 3277, Fax – 905 660 0803

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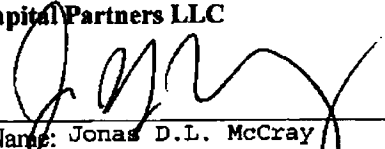
16. **Severability.** If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision and the remainder of this Agreement shall continue in full force and effect.
17. **Further Assurances.** The parties agree that each of them shall, upon reasonable request of the other, do, execute, acknowledge and deliver such acts, deeds and agreements as may be necessary or desirable to give effect to the terms of this Agreement.
18. **Counterparts.** This Agreement may be executed in any number of counterparts with the same effect as if all parties hereto had all signed the same document. All counterparts shall be construed together and shall constitute one and the same original agreement.
19. **Governing Law.** This Agreement shall be governed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

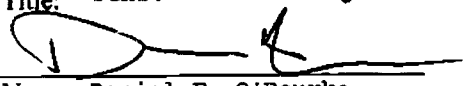
GMJ Corporation

Per: 
Name:
Title:

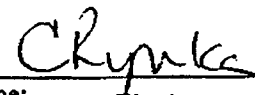
Name:
Title:

Salus Capital Partners LLC

Per: 
Name: Jonas D.L. McCray
Title: Senior Vice President


Name: Daniel F. O'Rourke
Title: Senior Vice President

BANK OF MONTREAL

Per: 
Name: Cindy Rynka
Title: Managing Director

Name:
Title:

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Schedule A

Wire Instructions in CAD Dollars

SWIFT Code: ROYCCAT2

Beneficiary: 000021533900
Salus Capital Partners, LLC
Needham, MA US

Financial Institution #: 003
Account with Bank: RBC Main Branch - Toronto
200 Bay Street, Main Floor
Toronto, ON M5J 2J5

Reference: GMJ Corporation

Wire Instructions in US Dollars

Destination: CHASUS33
JP Morgan Chase
New York, NY
ABA 021000021

Pay to Bank: ROYCCAT2
Royal Bank of Canada
Toronto, ON
UID 055253

Further credit to beneficiary: 000024016598
Salus Capital Partners, LLC
Needham, MA US
RBC Main Branch - Toronto
200 Bay Street, Main Floor
Toronto, ON M5J 2J5

Reference: GMJ Corporation

BLOCKED ACCOUNT AGREEMENT

THIS AGREEMENT is made as of June 18th, 2013

BETWEEN: **BANK OF MONTREAL**
(hereinafter called the "Bank")

AND: **GMJ Corporation**
(hereinafter called the "Borrower")

AND: **Salus Capital Partners LLC**
(hereinafter called "Creditor")

WHEREAS the Borrower has entered or is about to enter into financing arrangements with CREDITOR pursuant to which CREDITOR may from time to time make loans and advances and provide other financial accommodations to the Borrower secured by, among other things, all right, title and interest of Borrower in and to all present and future accounts, contract rights, general intangibles, documents, instruments, chattel paper, deposit and other bank accounts and proceeds of the foregoing;

AND WHEREAS the Borrower has established U.S. Dollar Account No. 0002- 4720-394 (the "Collection Account") with the Bank;

AND WHEREAS CREDITOR has established a Canadian Dollar and a U.S. Dollar Account with the Royal Bank of Canada (refer to schedule A for account details).

NOW THEREFORE in order for the Borrower to comply with the requirements of CREDITOR under its financing arrangements with the Borrower, and in consideration of the reciprocal obligations herein provided and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto, each of the Bank, the Borrower and CREDITOR agree as follows:

- 1. Establishment of Accounts.** The Bank will maintain the Collection Account as long as the Borrower is in compliance with the terms of the Bank's account documentation with respect thereto.
- 2. Deposits to Collection Account.** In connection with its financing arrangements with CREDITOR, the Borrower has agreed with CREDITOR to (i) in the case of proceeds that are denominated in the lawful currency of the United States of America, to deposit or cause to be deposited, all such proceeds of the collateral of CREDITOR to the Collection Account..
- 3. Security Interest of CREDITOR.** The Borrower has granted to CREDITOR a security interest in and lien upon, and pledged to CREDITOR, its assets as described above, which include cheques, drafts and other instruments received for deposit in the Collection Account and all amounts at any time in or attributable to the Collection Account, as security for all existing and hereafter arising obligations, liabilities and indebtedness of the Borrower to CREDITOR. CREDITOR acknowledges and agrees that it shall take whatever action it

- 2 -

considers appropriate and necessary to protect and enforce its rights respecting the Collection Account, including completion and registration of any documents or financing statements in order to perfect any security interests in the Collection Account. The Bank makes no representations and assumes no liability respecting the validity or the enforceability of any security interest CREDITOR or any other party may have relating to the Collection Account or the existence of any other liens or other interests respecting the Collection Account. The Bank assumes no responsibility or liability for maintaining the perfection, registration or validity of the security interest of CREDITOR in the Collection Account.

4. **Exclusive Authority.** None of the officers, agents or other representatives of the Borrower or any of its affiliates shall have any authority to withdraw any amounts from, to draw upon or otherwise exercise any authority or powers with respect to the Collection Account and all amounts held therein. The Collection Account shall be under the sole dominion and control of CREDITOR. Accordingly, the Borrower shall not give any instructions with respect to the Collection Account other than those approved in writing by CREDITOR.
5. **No Duty to Inquire.** Subject to Section 11, the Bank will not have any duty to inquire whether or not CREDITOR is entitled to give, and has no duty to question, instructions, certificates or notices pursuant to any of the provisions of this Agreement or any other agreement. Any instructions, certificates or notices given by CREDITOR will be conclusive authority for the Bank to act in accordance with the instructions, certificates or notices whether or not CREDITOR is acting in good faith. The Bank is not obliged or required to monitor any requirements or obligations of CREDITOR or the Borrower pursuant to this Agreement or any other agreement.
6. **Account Transfers.** Unless and until the Bank shall receive written instruction from CREDITOR to the contrary, all amounts in the US\$ Collection Account shall automatically and without further direction on a daily basis be remitted, at the Borrower's cost and expense, by transfer solely to the US\$ CREDITOR Account.
7. **Reporting.** At such time or times as CREDITOR may request, the Bank will promptly report to CREDITOR the amounts deposited in the Collection Account and will furnish to CREDITOR any copies of bank statements, deposit tickets, deposited items, debit and credit advices and other records maintained by the Bank under the terms of its arrangements with the Borrower (as in effect on the date hereof). The Borrower hereby expressly consents to the release of this information by the Bank to CREDITOR. CREDITOR will reimburse the Bank for its reasonable expenses in providing such items to CREDITOR.
8. **Charges and Waiver of Right of Set-Off.** Borrower shall be and at all times remain liable to the Bank for any and all fees and service charges relating to the Collection Account and chargebacks for any cheques, drafts and other payment items dishonoured or otherwise returned to the Bank with respect to the Collection Account (all such fees, service charges and chargebacks being hereinafter referred to, collectively, as "Charges"). The Borrower and CREDITOR hereby acknowledge and agree that the Bank shall be entitled to recover any and all Charges from the Collection Account and the Bank is hereby authorized to debit the Collection Account at any time to recover any and all Charges. The Bank may exercise its rights of set-off, consolidation and banker's lien to the extent required to satisfy any Charges, provided, that the Bank shall not exercise any such rights with respect to other liabilities owed to it by the Borrower. If there are insufficient funds on deposit in the Collection Account to cover any outstanding Charges, the Borrower shall promptly pay to the Bank the amount of such Charges upon demand by the Bank. If the Borrower fails to pay such amount within ten (10) days of demand by the Bank,

- 3 -

CREDITOR shall promptly pay to the Bank the amount of all such outstanding Charges to the extent received by the CREDITOR upon written notification from the Bank.

9. **Compliance with Court Order.** Notwithstanding any other provision contained herein, the Bank shall have the right to automatically debit the Collection Account in accordance with any court order or notice of garnishment received by it, or any other legal requirement with which the Bank reasonably determines it is required to comply.
10. **Indemnity.** The Borrower and CREDITOR shall jointly and severally indemnify and hold harmless the Bank, its employees, officers and directors from and against any and all loss, liability, cost, claim and expense incurred (including, without limitation, reasonable legal fees and expenses) by the Bank, its employees, officers and directors with respect to the performance of this Agreement, including, without limitation, claims that the Bank was not properly authorized to transfer credit balances from the Collection Account to the CREDITOR Accounts.
11. **Scope of Duty.** The Bank undertakes to perform only such duties as are expressly set forth in this Agreement and to deal with the Collection Account and CREDITOR Accounts with the degree of skill and care that the Bank accords to all accounts and funds maintained and held by it on behalf of its customers. Notwithstanding any other provision of this Agreement, the parties agree that the Bank shall not be liable for any action taken by it or any of its directors, officers or employees in accordance with this Agreement except for its or their own gross negligence or willful misconduct. In no event shall the Bank be liable for losses or delays resulting from force majeure, computer malfunctions, interruption of communication facilities or other causes beyond the Bank's control or for indirect or consequential damages.
12. **Termination.** The Borrower shall have no right to terminate this Agreement or the account agreements relating to the Collection Account without the written consent of CREDITOR. The Bank may terminate this Agreement and/or the account agreements relating to the Collection Account upon thirty (30) days prior notice to CREDITOR thereof. CREDITOR may terminate this Agreement upon prior notice to the Bank thereof. Upon any such termination, the Bank shall remit the entire balance of each Collection Account as provided in Section 6 hereof, save and except for the amount of any Charges owing to the Bank and subject to the rights of the Bank set out in Section 8 hereof.
13. **Amendments.** No change or modification of this Agreement is binding upon the parties unless it is in writing and signed by CREDITOR and the Bank.
14. **Successors and Assigns.** This Agreement shall be binding upon the Bank and its successors and assigns and ~~enure to the benefit of CREDITOR and its successors and assigns.~~
15. **Notices.** Any notices or instructions permitted or required pursuant to this Agreement shall be in writing and shall be delivered to the party for which it is intended by registered mail (postage prepaid), prepaid courier or facsimile to the address of such party indicated below, or at such other address as any party hereto may stipulate by notice to the other parties from time to time. Any notice sent by registered mail shall be deemed to be received by the party for which it is intended five (5) business days after mailing. Any notice delivered by prepaid courier shall be deemed to be received by the party for which it is intended on the date of actual delivery thereof if such delivery occurs prior to 5:00 p.m. on such business day and, otherwise, on the next following business day. Any notice sent by facsimile shall be deemed to be received by the party for which it is intended on the next business day following transmission. The addresses for notice of the parties are as follows:

- 4 -

CREDITOR:

Salus Capital Partners LLC
197 First Ave., Suite 250
Needham, MA 02494
Attention: Danielle Prentis
Direct: 617-420-2820
Mobile: 508-282-0306
Email: dprentis@saluscapital.com

Bank:

Bank of Montreal – first contact
Mimi Datto,
Director - Corporate Finance Group,
100 King St West, 11th floor
Toronto, Ont. M5X 1A1
Phone 416 867 3087
Fax 416 867 3119

Bank of Montreal – second contact
First Canadian Place Branch
100 King St West,
Toronto, Ont. M5X 1A1
Attention: The Manager
Fax 416 867 7098


Borrower:

GMJ Corporation
435 Martin St, Suite 2020
Blaine Washington, USA 98230
Attention: Catherine Miliauskas
Phone – 905 660 3277, Fax – 905 660 0803

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16. **Severability.** If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision and the remainder of this Agreement shall continue in full force and effect.
17. **Further Assurances.** The parties agree that each of them shall, upon reasonable request of the other, do, execute, acknowledge and deliver such acts, deeds and agreements as may be necessary or desirable to give effect to the terms of this Agreement.
18. **Counterparts.** This Agreement may be executed in any number of counterparts with the same effect as if all parties hereto had all signed the same document. All counterparts shall be construed together and shall constitute one and the same original agreement.
19. **Governing Law.** This Agreement shall be governed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

GMJ Corporation

Per: 
 Name: JOSEPH SHILOW
 Title: PRESIDENT

 Name:
 Title:

Salus Capital Partners LLC

Per: _____
 Name:
 Title:

 Name:
 Title:

BANK OF MONTREAL

Per: 
 Name: Cindy Rynka
 Title: Managing Director

 Name:
 Title:

- 7 -

Schedule A

Wire Instructions in CAD Dollars

SWIFT Code: ROYCCAT2

Beneficiary: 000021533900
 Salus Capital Partners, LLC
 Needham, MA US

Financial Institution #: 003
Account with Bank: RBC Main Branch - Toronto
 200 Bay Street, Main Floor
 Toronto, ON M5J 2J5

Reference: GMJ Corporation

~~~~~

**Wire Instructions in US Dollars**

**Destination:** CHASUS33  
 JP Morgan Chase  
 New York, NY  
 ABA 021000021

**Pay to Bank:** ROYCCAT2  
 Royal Bank of Canada  
 Toronto, ON  
 UID 055253

**Further credit to beneficiary:** 000024016598  
 Salus Capital Partners, LLC  
 Needham, MA US  
 RBC Main Branch - Toronto  
 200 Bay Street, Main Floor  
 Toronto, ON M5J 2J5

**Reference:** GMJ Corporation

## ACCOUNTS AGREEMENT

THIS AGREEMENT dated July 15<sup>th</sup>, 2013

### AMOUNG:

Ben Moss Jewellers Western Canada Ltd. (together with its successors and assigns, the "Company")

- and -

Salus Capital Partners, LLC (together with its successors and assigns, the "Secured Party")

- and -

Royal Bank of Canada (together with its successors and assigns, "RBC")

### RECITALS

- A. Pursuant to that certain Credit Agreement, dated on or about July 5, 2013 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), between the Company and the Secured Party (each as defined in the Credit Agreement), the Secured Party has agreed to make loans and extend other financial accommodations to the Borrower.
- B. Pursuant to a certain security agreement dated on or about July 5, 2013 (the "Security Agreement") the Company has granted a lien in favor of Secured Party on certain of its assets to secure its obligations under the Credit Agreement.
- C. The Credit Agreement and the Security Agreement require the implementation of the cash management arrangements provided for in this Agreement.

FOR VALUE RECEIVED, the parties agree as follows:

### SECTION 1 INTERPRETATION

#### 1.1 Definitions

In this Agreement:

- (a) *Accounts* means all depository accounts in the name of the Company described in Schedule A hereto.
- (b) *Activation Date* means the third Business Day after the date of receipt by RBC of an Activation Notice.

- (c) **Activation Notice** means a notice from Secured Party to RBC in the form appearing at Schedule B hereto.
- (d) **Branch of Account** means the branch of RBC located at:  
     2nd Floor - 220 Portage Avenue  
     Winnipeg, Manitoba  
     R3C 0A5
- (e) **Business Day** means any day on which the Branch of Account is open for business to the public and, for the purposes of communications to Secured Party under Section 5.6, any day that is not a Saturday or Sunday or a day on which banks are required or permitted to be closed in the cities of Winnipeg, Manitoba.
- (f) **Cheques** mean all cheques, money orders, wire transfers, notes, drafts and other orders for payment of money or other remittances payable to the Company.
- (g) **CPA Rules** means the rules established from time to time by the Canadian Payments Association to govern the clearing and settlement of payment items within the national clearing and settlement system.
- (h) **De-Activation Date** means the date specified by Secured Party in the De-Activation Notice delivered by Secured Party to RBC which date shall fall no sooner than a date that is three (3) Business Days following RBC's receipt of said De-Activation Notice.
- (i) **De-Activation Notice** means a notice from the Secured Party to RBC in the form appearing at Schedule C hereto.
- (j) **Security Agreement** means the certain Security Agreement, dated as of \_\_\_\_\_, made by the Company in favor of Secured Party, as the same may be amended, restated and/or modified from time to time.

## 1.2 Interpretation

In interpreting this Agreement, the headings and the division of the Sections are inserted for convenience only and are to be ignored in construing this Agreement; all references to Sections, subsections, clauses and Schedules are to Sections, subsections, clauses and Schedules to this Agreement; the words "hereto," "herein," "hereof," "hereunder," "this Agreement" and similar expressions mean this Agreement as a whole and not any particular Section, subsection or Schedule unless expressly so stated; grammatical variations of any term defined herein shall have similar meanings and words importing the singular shall include the plural and vice versa; reference herein to any agreement or other document shall be deemed to include reference to such agreement or other document as the same may from time to time be amended, supplemented, restated or otherwise modified.

**SECTION 2  
ACKNOWLEDGEMENT OF SECURITY**

**2.1 Acknowledgement of Security**

The Company acknowledges that it has granted to, and has created in favor of; Secured Party a first priority perfected security interest in the Accounts, including all sums now on deposit in or payable to and any interest accrued or payable on the credit balances therein.

**SECTION 3  
ACCOUNTS OPERATION**

**3.1 Accounts**

Commencing not later than the second (2<sup>nd</sup>) Business Day following receipt by RBC of an Activation Notice, RBC is authorized, as instructed by the Secured Party pursuant to Section 3.2 hereof, to transfer, prior to the end of each Business Day, all amounts on deposit in the Accounts to Secured Party's account or accounts or such other account or accounts with such depositories as described on Schedule A or such other instructions as Secured Party may from time to time designate in writing (each, a "**Collection Account**," and, collectively, the "**Collection Accounts**"). As of the date hereof, the only Collection Accounts are the collection accounts described in Schedule A hereto. The transfers of amounts from the Accounts to the Collection Accounts shall be effected in accordance with RBC's usual banking practices on each Business Day on which amounts are on deposit in the Accounts.

**3.2 Instructions**

After the Activation Date, the Accounts shall be subject to written instructions only from Secured Party which alone, as between the Company and Secured Party, shall have all authority and right in connection with the Accounts. RBC shall be entitled to act upon the instructions of any person who RBC believes, acting reasonably, is a person that Secured Party has identified in writing from time to time to RBC as being a person authorized by Secured Party to give instructions to RBC.

At all times before the Activation Date, the Accounts shall be subject to instructions, written or otherwise, only from the Company, which alone, as between the Company and the Secured Party, shall have all authority and right in connection with the Accounts. RBC shall be entitled to act upon the instructions of any person who RBC believes, acting reasonably, is a person that the Company has identified in writing from time to time to RBC as being a person authorized by the Company to give instructions to RBC.

**3.3 Payment Not Realization**

The Company and Secured Party acknowledge and agree that:

- (a) the actions and proceedings contemplated by this Section 3 are instrumental to the operation of the cash management system that is required by the Credit Agreement; and
- (b) any action or proceeding pursuant to this Section 3 shall not be considered as a realization on, or enforcement of, security or a demand for payment under the Credit Agreement but rather, among other things, following the Activation Date, a standing irrevocable direction by the Company to RBC to thereafter transfer daily to the appropriate Collection Account on the direction of Secured Party all credit balances in the Accounts as contemplated by Section 3.1.

### **3.4 Wire Transfers**

RBC shall apply and credit to the applicable Account all wire transfers directed to that Account in accordance with RBC's standard procedures.

### **3.5 De-Activation**

Any Activation Notice delivered to RBC may be terminated by the Secured Party by delivering to RBC a De-Activation Notice, with such termination to become effective on the De-Activation Date. The Company and the Secured Party acknowledge and agree that the provisions of this Agreement shall continue to apply after delivery of a De-Activation Notice.

## **SECTION 4 FEES, EXPENSES, CHARGEBACKS AND INDEMNITY**

### **4.1 Waiver of RBC's Rights**

Except as expressly provided in Sections 4.2 and 4.3, RBC agrees with Secured Party not to assert, and hereby waives, with respect to all of its existing and future claims against the Company, all existing and future rights of set-off, compensation, banker's liens, rights of reimbursement or retention or any security against funds on deposit in the Accounts and all Cheques (and proceeds thereof) that come into its possession in connection with the Accounts.

### **4.2 The Company's Fee Obligations**

The Company hereby agrees that it is responsible for all normal and customary fees and expenses established by RBC from time to time for the services provided hereunder (all such amounts, the "fees and expenses"). If any of the fees and expenses are not paid by the Company when due, RBC shall be entitled to automatically debit, by mechanical, electronic or manual means, any of the Accounts for such fees and expenses. If there are insufficient funds in the Accounts for RBC to recover the fees and expenses, RBC may automatically debit, by mechanical, electronic or manual means, any other account that the Company maintains with RBC in an amount equal to the deficiency of funds in the Accounts for such fees and expenses.



### 4.3 Chargebacks

Notwithstanding Section 4.1, RBC shall be entitled to automatically debit, by mechanical, electronic or manual means, any one or more of the Accounts at any time and from time to time solely for:

- (a) the amount of any Cheque deposited in an Account after the date hereof which is subsequently returned to RBC in accordance with the CPA Rules or other customary banking practices (“**Returned Amounts**”); and
- (b) the amount of any required adjustments due to clerical errors or calculation errors directly related to any Account (“**Error Amounts**” and, together with Returned Amounts, “**Chargebacks**”),

and provided, further, that if RBC has transferred to a Collection Account the funds on deposit in an Account in respect of which RBC is entitled to a Chargeback and the funds in the Accounts and the Disbursement Accounts are insufficient to cover the amount of the relevant Chargeback, Secured Party shall pay to RBC the amount of the Chargeback not recoverable from the Accounts within three (3) Business Days of receipt of a statement signed by RBC confirming the details of such Chargeback and RBC’s entitlement to it under this Section 4.3 in form satisfactory to Secured Party; provided however, Secured Party shall only be required to make any such payment if RBC has made such request for payment in the case of (i) a Returned Amount, within ninety-five (95) days after the date the value represented by the Returned Amount was transferred to a Collection Account or otherwise paid to or to the order of Secured Party, and (ii) an Error Amount, within eighty-five (85) days after the error forming the basis of the Error Amount was made, in each case, to the extent such Return Amount or Error Amount is not paid by the Company within thirty (30) days after demand of such payment.

### 4.4 Indemnity

The Company hereby agrees to pay, indemnify and hold harmless RBC, Secured Party and their respective directors, officers, agents, solicitors and employees, from and against any and all loss, liability, cost, claim and expense incurred by any of them with respect to the performance of this Agreement by RBC or any of RBC’s or Secured Party’s directors, officers, agents, solicitors or employees, unless arising from its or their own gross negligence or willful misconduct, including, without limitation, any claims that RBC was not properly authorized to transfer credit balances to a Collection Account.

## SECTION 5 GENERAL PROVISIONS

### 5.1 Power of Attorney

The Company constitutes and irrevocably appoints Secured Party its true and lawful attorney, with full power of substitution, without limitation, to demand, collect, receive and, following an Event of Default (as defined in the Credit Agreement) that is continuing, sue for all amounts

which may become due or payable in respect of any Account, and, before or after an Event of Default, to execute all withdrawal receipts or other orders for the Company, in its own name or in the Company's name or otherwise, which Secured Party deems necessary or appropriate to protect and preserve its right, title and interest in any Account, and, otherwise, to carry out the provisions and purposes of this Agreement.

## **5.2 Limitation of RBC's Liability**

RBC undertakes to perform only such duties as are expressly set forth in this Agreement and to deal with the Accounts with the degree of skill and care that RBC accords to all accounts and funds maintained and held by it on behalf of its customers. Notwithstanding any other provision of this Agreement, it is agreed by the parties hereto that RBC shall not be liable for any action taken by it or any of its directors, officers, agents solicitors or employees in accordance with this Agreement except for its or their own breach of this Agreement, violation of law, gross negligence or willful misconduct. In no event shall RBC be liable for losses or delays resulting from computer malfunctions or interruption of communication facilities which are beyond RBC's control or from other causes which are beyond RBC's control or from force majeure or for indirect, special or consequential damages.

## **5.3 Records**

RBC shall maintain a record of all money, Cheques and other remittance items deposited in and transfers to the Accounts in accordance with RBC's standard procedures.

## **5.4 Provision of Information**

RBC shall provide to the Company and Secured Party, at the Company's expense, monthly statements summarizing the daily activity in each Account. RBC shall also provide to Secured Party, at the Company's expense, such information compiled by RBC in accordance with the activity, on a daily, weekly or monthly basis, in each Account, as may be reasonably requested by Secured Party in writing.

## **5.5 Termination**

Subject to the other provisions of this Section 5.5, this Agreement shall remain in full force and effect and be binding in accordance with and to the extent of its terms until Secured Party terminates this Agreement pursuant to this Section 5.5. Secured Party may terminate this Agreement at any time upon seven (7) days' prior written notice to RBC and the Company. RBC may terminate this Agreement only upon thirty (30) days' prior written notice to the other parties hereto. Upon termination of this Agreement, RBC shall, at the written direction of Secured Party and without liability to RBC, deliver all Cheques received by it to Secured Party or as Secured Party may direct in writing. Until such Cheques are so delivered, RBC shall hold such Cheques as agent, and for the benefit of Secured Party. Sections 4.3 and 4.4 shall survive termination of this Agreement.

## **5.6 Notices**

Except as otherwise provided herein, any notice, demand, request, consent, approval, declaration or other communication to be served, given or delivered by one party to the other in connection with or under this Agreement shall be in writing and shall be deemed to have been validly served, given or delivered (a) upon transmission, when transmission occurs at or before 5:00 p.m. on any Business Day, or, if transmission occurs after such time on such Business Day, on the Business Day immediately following such Business Day, when sent by telecopy or other similar facsimile transmission (with such telecopy or facsimile promptly confirmed by delivery of a copy by personal delivery as otherwise provided in this Section 5.6), (b) one (1) Business Day after deposit with a reputable overnight courier with all charges prepaid, or (c) when delivered, if hand-delivered by messenger, all of which shall be addressed to the party to be notified and sent to the address or facsimile number indicated below or to such other address (or facsimile number) as may be substituted by notice given as herein provided.

Communications with the Company shall be addressed as follows:

Ben Moss Jewellers Western Canada Ltd.  
201 Portage Avenue, Suite 300  
Winnipeg, Manitoba  
R3B 2K6  
Attention: Merv Moknowed

Telephone: 204.988.0100  
Fax No.: 204.988.0101  
Email: [mervm@Benmoss.com](mailto:mervm@Benmoss.com)

Communications with RBC shall be addressed as follows:

Royal Bank of Canada  
2nd Floor 220 Portage Avenue  
Winnipeg, Manitoba  
R3C 0A5  
Attention: Cynthia Wepruk

Telephone: 204.988.4139  
Fax No.: 204.988.4487  
Email: [cynthia.wepruk@rbc.com](mailto:cynthia.wepruk@rbc.com)

Communications with Secured Party shall be addressed as follows:

Salus Capital Partners LLC  
197 First Ave., Suite 250  
Needham, MA 02494  
Attention: Danielle Prentis

Direct: 617-420-2820  
Mobile: 508-282-0306  
Email: [morourke@saluscapital.com](mailto:morourke@saluscapital.com)

**Governing Law**

This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the Province of Manitoba and the laws of Canada applicable therein and the parties hereto irrevocably attorn to the non-exclusive jurisdiction of the courts of the Province Manitoba in respect of all matters pertaining to this Agreement.

**Amendments**

This Agreement may only be amended or modified by written instrument signed by Secured Party, the Company and RBC.

**Severability**

Any provision of this Agreement that is or becomes unenforceable shall be unenforceable to the extent of such unenforceability without invalidating the remaining provisions hereof. To the extent permitted by Applicable Law, each of the parties hereby waives any provision of law that renders any provision hereof unenforceable in any respect.

**Authorization**

For the purposes of this Agreement, any attorney, officer, employee or agent of Secured Party shall be authorized to act, and to give instructions and notice, on behalf of Secured Party hereunder, and any attorney, officer, manager or agent of RBC shall be authorized to act and give instructions and notice on behalf of RBC hereunder.

**Remedies Cumulative**

The rights enumerated in this Agreement are in addition to and not in substitution for any other rights of Secured Party pursuant to any security held by Secured Party and except as otherwise contemplated in this Agreement, nothing in this Agreement is to be interpreted as restricting the rights of Secured Party pursuant to any security held by Secured Party.

**Further Assurances**

The parties shall at all times do, execute, acknowledge and deliver such acts, deeds and agreements as may be reasonably necessary or desirable to give effect to the terms of this Agreement.

**No Fiduciary Obligations**

Nothing in this Agreement shall constitute any party to this Agreement a fiduciary in relation to any other party to this Agreement.

**Successors and Assigns**


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

**Counterparts**

This Agreement may be executed in counterparts and by facsimile, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

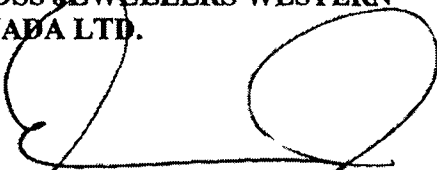
The parties have executed this Agreement.

**ROYAL BANK OF CANADA**

By:   
Name: Cynthia Wepruk  
Title: Senior Commercial Account Manager

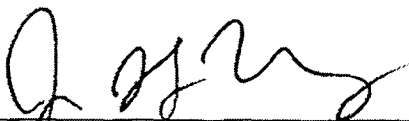
I have authority to bind the Bank.

**BEN MOSS JEWELLERS WESTERN  
CANADA LTD.**

By:   
Name: MERWIN R. MORKOWED  
Title: CHIEF FINANCIAL OFFICER

I have authority to bind the Corporation.

**SALUS CAPITAL PARTNERS, LLC**

By:   
Name: James D.L. Kelly  
Title: Senior Vice President

I have authority to bind the Corporation.

**SCHEDULE A****ACCOUNTS****Blocked Accounts**

|                |                 |
|----------------|-----------------|
| A. CAD Account | 00007 - 1028026 |
| B. CAD Account | 00007 – 1052778 |

Hereinafter the “Cdn Blocked Accounts”

**Collection Account including instructions**

In accordance with Section 4.1 (and subject thereto), RBC shall transfer, prior to the end of each Business Day, all amounts on deposit in the Cdn Blocked Account to the following account:

|                          |                             |
|--------------------------|-----------------------------|
| SWIFT Code:              | ROYCCAT2                    |
| Transit/CAD Account No.: | 000021533900                |
|                          | Salus Capital Partners, LLC |
|                          | Needham, MA US              |
| Financial Institution #: | 003                         |
| Account with Bank:       | RBC Main Branch - Toronto   |
|                          | 200 Bay Street, Main Floor  |
|                          | Toronto, ON M5J 2J5         |

**SCHEDULE B**  
**ACTIVATION NOTICE**

To: ROYAL BANK OF CANADA ("RBC")

Re: Accounts Agreement dated July , 2013, among Ben Moss Jewellers Western Canada Ltd., (the "**Company**"), Salus Capital (together with its successors and assigns, the "**Secured Party**"), and RBC (as amended, restated, supplemented or otherwise modified from time to time, the "**Accounts Agreement**").

Terms with initial capital letters in this notice and not otherwise defined herein shall have the meanings given to them in the Accounts Agreement.

Secured Party hereby notifies RBC that the Activation Date shall occur not later than the third Business Day following receipt by RBC of this notice such that, pursuant to Section 3 of the Accounts Agreement, on the Activation Date and on each Business Day thereafter, RBC shall transfer, prior to the end of each such Business Day, all funds on deposit in the Accounts as provided for in the Accounts Agreement.

Dated \_\_\_\_\_, 20\_\_.

**SALUS CAPITAL**

By: \_\_\_\_\_  
Name:  
Title:



SCHEDULE CDE-ACTIVATION NOTICE

To: ROYAL BANK OF CANADA ("RBC")

Re: Accounts Agreement dated July , 2013, among Ben Moss Jewellers Western Canada Ltd., (the "**Company**"), Salus Capital (together with its successors and assigns, the "**Secured Party**"), and RBC (as amended, restated, supplemented or otherwise modified from time to time, the "**Accounts Agreement**").

Terms with initial capital letters in this notice and not otherwise defined herein shall have the meanings given to them in the Accounts Agreement.

Secured Party hereby notifies RBC that the De-Activation Date shall occur not later than the third (3rd) Business Day following receipt by RBC of this notice.

Dated •, 20 •.

**SALUS CAPITAL**

By: \_\_\_\_\_  
 Name:  
 Title:



SCHEDULE BACTIVATION NOTICE

To: ROYAL BANK OF CANADA ("RBC")

Re: Accounts Agreement dated July , 2013, among Ben Moss Jewellers Western Canada Ltd., (the "Company"), Salus Capital (together with its successors and assigns, the "Secured Party"), and RBC (as amended, restated, supplemented or otherwise modified from time to time, the "Accounts Agreement"). \*

Terms with initial capital letters in this notice and not otherwise defined herein shall have the meanings given to them in the Accounts Agreement.

Secured Party hereby notifies RBC that the Activation Date shall occur not later than the third Business Day following receipt by RBC of this notice such that, pursuant to Section 3 of the Accounts Agreement, on the Activation Date and on each Business Day thereafter, RBC shall transfer, prior to the end of each such Business Day, all funds on deposit in the Accounts as provided for in the Accounts Agreement.

Dated July, 2013.

SALUS CAPITAL

By: 

Name: Jants D.L. Mung

Title: Senior vice president

\*With respect to the accounts listed on the Schedule A attached hereto

**SCHEDULE A****ACCOUNTS****Blocked Accounts**

|                |                 |
|----------------|-----------------|
| A. CAD Account | 00007 - 1028026 |
| B. CAD Account | 00007 - 1052778 |

Hereinafter the "Cdn Blocked Accounts"

**Collection Account including instructions**

In accordance with Section 4.1 (and subject thereto), RBC shall transfer, prior to the end of each Business Day, all amounts on deposit in the Cdn Blocked Account to the following account:

|                          |                             |
|--------------------------|-----------------------------|
| SWIFT Code:              | ROYCCAT2                    |
| Transit/CAD Account No.: | 000021533900                |
|                          | Salus Capital Partners, LLC |
|                          | Needham, MA US              |
| Financial Institution #: | 003                         |
| Account with Bank:       | RBC Main Branch - Toronto   |
|                          | 200 Bay Street, Main Floor  |
|                          | Toronto, ON M5J 2J5         |

**-BLOCKED ACCOUNT AGREEMENT**

July 2, 2013

Canadian Imperial Bank of Commerce  
500 – One Lombard Place  
Winnipeg, MB  
R3C 2P3

Attention: Ryan Zuk, Senior Manager

Dear Sirs/Mesdames:

**Ben Moss Jewellers Western Canada Ltd**

Ben Moss Jewellers Western Canada Ltd. (the “Customer”) has entered into financing arrangements with SALUS CAPITAL PARTNERS, LLC (the “Secured Party”) pursuant to which the Customer has granted a continuing security interest to Secured Party in substantially all of its property, including without limitation, all present and future accounts receivable, money, bank accounts, contract rights, instruments, documents, chattel paper and general intangibles of the Customer and proceeds of such property.

In order for the Customer to comply with the requirements of Secured Party under the financing arrangements, the Customer requests that CIBC enter into this blocked account agreement (“Agreement”).

**1. Establishment, Maintenance and Operation of Accounts.**

The Customer maintains the accounts set out in Schedule A to this Agreement, into which the Customer’s accounts receivable, negotiable instruments, currency and other deposits will be deposited from time to time (the “Accounts”).

**2. Withdrawals**

Except as otherwise provided for in this Agreement, CIBC shall be entitled to operate the Accounts in the normal course of its business, and CIBC shall be permitted to honour all withdrawals, debit memos, cheques, promissory notes, payment orders, wire transfers, items and other forms of payment in accordance with the applicable banking resolutions, authorizations and agreements governing the operation of the Accounts.

### 3. Authorizations and Directions to CIBC.

CIBC is authorized and directed by Customer that upon receipt of a written notice from Secured Party instructing CIBC to block the Accounts (each such notice, an “**Activation Notice**”), CIBC shall accept only the instructions of Secured Party with respect to the Accounts commencing on the date specified by the Secured Party in the Activation Notice, which date shall fall no sooner than a date that is two (2) Business Days (as herein defined) following CIBC’s receipt of such Activation Notice (the “**Activation Date**”). Any Activation Notice received by CIBC after 3 p.m. Eastern Standard Time will be deemed to have been received the next business day that CIBC branches are open for business in Toronto, Ontario, except Saturdays, Sundays (“**Business Days**”). The authorization contained in this section 3 is irrevocable unless Secured Party shall deliver to CIBC a written notice (with a copy to the Customer) withdrawing such Activation Notice, whereupon the Customer shall again have control over the Accounts.

### 4. Signing Authorities.

The Customer and Secured Party will advise CIBC immediately pursuant to Section 14, of any amendments to the signing authorities in respect of the Accounts, and shall provide CIBC with the applicable banking resolutions and authorizations in respect of such change. Any such amendments to the signing authorities will be subject to CIBC’s policies and procedures.

### 5. Fees.

The Customer together with Secured Party agree that the Customer is at all times responsible to pay CIBC for all fees, charges and expenses relating to the establishment and operation of this Agreement and the Accounts (including CIBC’s reasonable legal fees) and all other normal and customary fees, charges and expenses for services that may be provided to the Customer by CIBC, including but not limited to VISA discounts, debit fees, terminal and other equipment charges and/or maintenance costs, and other normal and customary charges, fees and expenses in connection with wire transfers, business banking services and the operation of the Accounts (all such amounts referred to as “**Fees**”).

### 6. Operation of Accounts After the Activation Date.

- (i) From and after the Activation Date and until this Agreement is terminated or until CIBC receives a written from Secured Party withdrawing the applicable Activation Notice, whichever occurs first, CIBC shall not make any charge, debit or offset against any cheques, drafts or other items received for deposit in the Accounts or against any amounts in the Accounts, provided that CIBC retains the right, at all times, to debit the Accounts for the amount of any Fees, any cheques or other forms of payment deposited in the Accounts and subsequently returned to CIBC unpaid for any reason (whether in accordance with the rules of the Canadian Payment Association or otherwise), any required adjustment due to clerical error or calculation error, any chargebacks with respect to VISA sales against the Accounts and any other debit that CIBC would process against the Account in the ordinary course of operating the Accounts (all such amounts referred to as “**Chargeback Amounts**”). For greater certainty, prior to the issuance of an Activation Notice, Customer will be responsible to pay CIBC for all Chargeback Amounts.

- (ii) If debiting the Accounts for any Fees or Chargeback Amounts creates a debit balance in the Accounts CIBC shall be entitled to offset any cheques, drafts or any other forms of payment (including cash deposits received) for deposit from the Accounts against that debit balance.
- (iii) From and after receipt by CIBC of an Activation Notice, if CIBC is not able to recover any Fees or Chargeback Amounts (or any portion of such Fees or Chargeback Amounts) from the Accounts, Customer shall pay any such Fees or Chargeback Amounts immediately upon demand, to the extent there are not sufficient funds in the Account to cover any such Fees or Chargeback Amount on the day of debit. If any Chargeable Amount has not been paid in full by Customer within fifteen (15) days after demand on Customer by CIBC and there are still insufficient funds in the Accounts, then Secured Party shall pay up the outstanding amount of Fees or Chargeback Amount under this section (i), (ii), (iii), within fifteen (15) days after receipt of written demand therefor from CIBC. If CIBC is stayed from making demand upon Customer as a result of a bankruptcy or similar proceeding, then CIBC shall not be required to make such demand upon Customer or wait fifteen (15) days prior to making demand on Secured Party.
- (iv) Despite any other term of this Agreement, CIBC will have the right to act in accordance with its standard procedures, policies and practices with respect to the operation of the Accounts and to debit the Accounts upon receipt of and in accordance with any third party demand, including, but not limited to, any court order, notice of garnishment, execution, seizure or governmental direction to pay which is received by CIBC. Upon receipt of a third party demand for payment impacting the Customer, Secured Party or any of the Accounts, or upon receipt of an Activation Notice, CIBC shall have the right to immediately terminate cash management services relating to the affected Accounts, including, but not limited to, Rapidtrans or Centralized Cash Concentration services.

#### 7. Statements/Advices.

CIBC shall provide the Customer with monthly statements of account, debit and credit advices and copies of all relevant communications issued or received by CIBC in the normal course of operating the Accounts (the “Customer Account Information”). After receipt of an Activation Notice, CIBC shall provide electronic access of Customer Account Information to Secured Party, and in order to permit such electronic access, Secured Party and Customer shall execute all agreements as CIBC deems necessary to give effect to such electronic access. Until CIBC’s receipt of an Activation Notice, the Customer will be bound by the terms and conditions of the applicable account agreement(s) (the “Account Agreements”) governing the Accounts, and after CIBC’s receipt of the Activation Notice, Secured Party will, become bound, jointly and severally with the Customer, by the Account Agreements (including any agreements relating to electronic access) at the time of receipt of the Activation Notice as if Secured Party had itself executed such agreement(s).

#### 8. Limitation of CIBC’s Liability.

CIBC undertakes to perform only those duties that are expressly set forth in this Agreement. The Customer and Secured Party agree that neither CIBC nor its affiliates will be liable for any act or omission taken or made by CIBC or its directors, officers, employees or agents in connection with this Agreement other than for acts or omissions constituting gross negligence or wilful misconduct of CIBC. In the case of gross negligence or wilful misconduct with any

act or omission taken or made by CIBC under this Agreement, CIBC will be liable for no more than the actual damages directly caused by such gross negligence or wilful misconduct. In no event will CIBC be liable for any indirect, special or consequential damages even if informed of the possibility of such damages or for any losses or delays resulting from acts of God, computer malfunctions, interruption of communication facilities, labour difficulties, legal impediments beyond CIBC's control that expressly limit CIBC's power under this Agreement or other causes beyond CIBC's control.

**9. Indemnity.**

The Customer agrees to indemnify and save CIBC and its affiliates, directors, officers, employees and agents harmless from and against any and all liabilities, obligations, losses, damages, claims (including, without limitation, any third party claims), penalties, actions, judgments, suits, costs, reasonable expenses or disbursements of any kind or nature whatsoever (including, without limitation, reasonable legal fees) sustained or incurred by CIBC as a result of entering into this Agreement or the performance by CIBC of any of its obligations hereunder, including, without limitation, complying with any Activation Notice, except for any liability, loss, damage or expense resulting from CIBC's gross negligence or wilful misconduct. Secured Party indemnifies CIBC against and agrees to hold CIBC harmless from, any liability or claims, including court costs, reasonable attorneys' fees, and other expenses that CIBC may incur as a result of CIBC entering into this Agreement or following any instructions or directions it receives from Secured Party with respect to the Accounts during the term of this Agreement, unless arising from CIBC's gross negligence or willful misconduct.

**10. No Duty to Inquire.**

Any notice or instruction purporting to be given by Secured Party under this Agreement will be conclusive authority for CIBC to act in accordance with that notice or instruction, whether or not Secured Party is acting in good faith. CIBC is not obliged or required to monitor any requirements or obligations of the Customer pursuant to this Agreement and has no duty to question any notice or instruction provided by Secured Party to CIBC. The Customer authorizes CIBC to act on any such notice or instruction and waives any claim or action against CIBC in connection therewith.

**11. Termination of Agreement and Closing of the Accounts.**

(i) *Termination for Convenience.*

CIBC or Secured Party may terminate this Agreement for any reason by providing ten (10) calendar days' prior written notice to the other party and to the Customer. Customer may not terminate this Agreement without the express written consent of Secured Party.

(ii) *Closing of Accounts.*

The Customer and Secured Party acknowledge that CIBC may close the Accounts with written notice to the Customer and Secured Party in accordance with the terms of the Account Agreements. If an Activation Notice is in effect at the time of such written notice of Account closure, the Customer hereby agrees and irrevocably



instructs CIBC to transfer all amounts in the Accounts to such persons and in such amounts as the Secured Party may direct, and this shall be CIBC's sole and sufficient authority for so doing.

**12. Assignment.**

Secured Party shall not have the right to assign this Agreement, without the prior written consent of CIBC; which consent shall not be unreasonably withheld by CIBC. Customer may not assign this Agreement without the prior written consent of the Secured Party and CIBC. CIBC may assign its rights and obligations under this Agreement, without the approval of Secured Party or the Customer, to an affiliate of CIBC or any entity which acquires all or substantially all of assets of CIBC or to any subsidiary or affiliate or successor in a merger, amalgamation or acquisition of CIBC.

**13. CIBC is not a Fiduciary or Trustee.**

Nothing in this Agreement constitutes CIBC as a trustee or a fiduciary in respect of either the Customer or Secured Party. The Customer and Secured Party agree that CIBC will have no other obligations in respect of the Accounts or the funds held in the Accounts except for those obligations set out in this Agreement.

**14. Notices.**

All notices, including, without limitation, Activation Notice, statements of account, debit and credit advices, returned items, general correspondence and termination notices, may be sent by the parties to this Agreement to the following addresses, or to such other address as any party receiving notices shall designate to the other parties, in writing from time to time:

CIBC:  
500-One Lombard Place  
Winnipeg, MB  
R3C 2P3  
**ATTENTION: Relationship Manager – Ben Moss Jewellers**  
Email: [ryan.zuk@cibc.com](mailto:ryan.zuk@cibc.com)  
Telephone: (204) 944-5834  
Fax: (204) 943-8347

and a copy to:

**CIBC Business Contact Centre**  
Attention: Michele Ne Ville  
5650 Yonge Street  
14<sup>th</sup> Floor  
Toronto, Ontario  
M2M 4G3  
Email: [bccmail@cibc.com](mailto:bccmail@cibc.com)  
Telephone: (416) 980-8984/1-888-947-7736  
Fax:-: 1-866-463-9004

Salus Capital Partners, LLC  
 197 First Avenue, Suite 250  
 Needham, MA 02494  
**ATTENTION: Portfolio Manager – Ben Moss**  
 Email: morourke@saluscapital.com  
 Telephone:  
 Fax:

The Activation Notice referred to in section 3 of this Agreement shall be sent to CIBC and the Customer by electronic mail, certified mail, return receipt requested or by overnight or local delivery courier. All notices provided for under this Agreement will be effective when actually received by the addressee, except for electronic mail or faxes which are effective when the addressee telephonically confirms receipt to the sender, and Activation Notices which are deemed received the next Business Day under Section 3 of this Agreement..

**15. Modification.**

This Agreement and the authorization contained herein may not be changed, modified or waived orally.

**16. Conflicts.**

In the event of any conflict or inconsistency between this Agreement and any banking resolution or account operation agreement governing the Account, this Agreement will prevail.

**17. Survival.**

The obligations of the Customer and Secured Party under sections 8, 9, 10 and 11 of this Agreement shall survive termination of this Agreement.

**18. Governing Law.**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.

**19. Quebec Language Clause.**

It is the express wish of the parties that this document and any related documents be drawn up in English. Les parties aux présentes ont expressément demandé que ce document et tous les documents s'y rattachant soient rédigés en anglais.

**20. Further Assurances.**

Customer and Secured Party shall from time to time promptly execute and deliver all further documents and take all further action reasonably necessary or appropriate to give effect to the provisions and intent of this Agreement.

**21. Counterparts.**

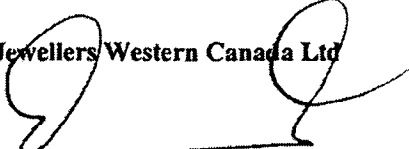
This Agreement and any amendment, supplement or restatement of any provision of this Agreement may be executed and delivered in any number of counterparts, each of which when executed and delivered is an original but all of which taken together constitute one and the same instrument

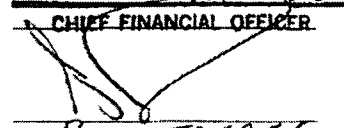
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Kindly indicate your agreement to the foregoing by signing the enclosed copy of this letter in the space provided for below and returning it to us.

Yours very truly,


**Ben Moss Jewellers Western Canada Ltd**

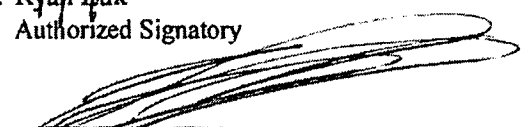
By:   
Name: M.R. MacKinnon  
Title: CHIEF FINANCIAL OFFICER

By:   
Name: B.M. TREPEL  
Title: PRESIDENT & C.E.O.

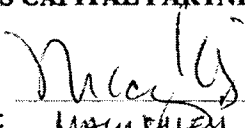
**ACKNOWLEDGED AND AGREED  
AS OF THE DATE FIRST WRITTEN ABOVE:**

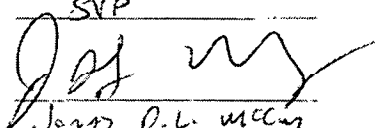
**CANADIAN IMPERIAL BANK OF COMMERCE**

By:   
Name: Ryan Zuk  
Title: Authorized Signatory

By:   
Name: Wayne Negrey  
Title: Authorized Signatory

**SALUS CAPITAL PARTNERS, LLC**

By:   
Name: Mary Ellen  
Title: SVP

By:   
Name: Joan D.L. McCay  
Title: SVP

**SCHEDULE A**

**ACCOUNTS**

**00007 / 1309315**

**BLOCKED ACCOUNT AGREEMENT**

THIS AGREEMENT dated as of \_\_\_\_\_ June 17th \_\_\_\_\_, 2013

**BETWEEN:**

**THE BANK OF NOVA SCOTIA**

(hereinafter called "Account Bank")

**AND:**

**BEN MOSS JEWELLERS WESTERN CANADA LTD**

(hereinafter called "Borrower")

**AND:**

**SALUS CAPITAL PARTNERS, LLC**

as agent for and on behalf of itself and the Lenders

(together with any successor thereto acting in such capacity,  
the "Agent")

**WHEREAS** the Borrower, the Agent and the Lenders have entered into the Credit Agreement which provides, *inter alia*, for financing for the Borrower by the Lenders as contemplated therein;

**AND WHEREAS** in order to secure the Obligations of the Borrower, the Borrower has entered into the Collateral Documents, pursuant to which the Borrower has granted a security interest in favour of the Agent on behalf of itself and the Lenders in all of the Borrower's present and after acquired personal property including, among other things, all right, title and interest of the Borrower in and to certain present and future accounts, contract rights, general intangibles, documents, instruments, chattel paper, deposit and other bank accounts and proceeds of the foregoing;

**AND WHEREAS** the Borrower has established the accounts listed in Schedule A, as such Schedule may be amended, restated or replaced from time to time (collectively, the "Accounts") with the Account Bank.

**NOW THEREFORE** in order for the Borrower to comply with the requirements of the Credit Agreement and the other Loan Documents, and in consideration of the reciprocal obligations herein provided and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto, each of the Account Bank, the Borrower and Agent agree as follows:

1. **Definitions.** In this Agreement, unless there is something in the subject matter or context inconsistent therewith, all capitalized terms used herein which are not otherwise defined

herein shall have the meanings ascribed thereto in the Credit Agreement. In addition, the following terms shall have the following meanings:

- (a) **“Credit Agreement”** means the credit agreement entered into between, amongst others, the Borrower, as borrower, the Agent as administrative agent for the Lenders, and the Lenders, as lenders, as the same may be amended, varied, supplemented, restated, renewed or replaced at any time and from time to time; and
  - (b) **“Lenders”** means all Persons who from time to time are Lenders under the Credit Agreement including the successors and assigns of all such entities including, without limitation, each successor arising as a result of an amalgamation or other corporate reorganization or as a result of a partnership being dissolved and a new partnership constituted in its place to carry on its business or one or more members of a partnership being replaced with new members.
2. **Establishment of Accounts.** The Account Bank will maintain the Accounts as long as the Borrower is in compliance with the terms of the Account Bank’s account documentation with respect thereto.
  3. **Deposits to Accounts.** Pursuant to the Credit Agreement, the Borrower has agreed to establish the Accounts with the Account Bank and to deposit or cause to be deposited to the Accounts, all revenues, receipts, monies and proceeds and other sums of any nature received (or to be received) by or payable (or to become payable) to the Borrower, and proceeds of the Collateral in the manner specified in the Credit Agreement.
  4. **Security Interest of Agent and Lenders.** The Borrower has granted to Agent, for and on behalf of itself and the Lenders, a security interest in and lien upon, and pledged to Agent, all of its assets, which include cheques, drafts and other instruments received for deposit in the Accounts and all amounts at any time in or attributable to the Accounts, as security for the Obligations of the Borrower to the Agent and the Lenders. The Agent acknowledges and agrees that it shall take whatever action it considers appropriate and necessary to protect and enforce its rights respecting the Accounts, including completion and registration of any documents or financing statements in order to perfect any security interests in the Accounts. The Account Bank makes no representations and assumes no liability respecting the validity or the enforceability of any security interest the Agent and the Lenders, or any other party may have relating to the Accounts or the existence of any other liens or other interests respecting the Accounts. The Account Bank assumes no responsibility or liability for maintaining the perfection, registration or validity of the security interest of Agent in the Accounts.
  5. **Agent Control.** Bank, Agent and Borrower each agree that Bank will comply with instructions given to Bank by Agent directing disposition of funds in the Accounts without further consent by Borrower. Except as otherwise required by law, Bank will not agree with any third party to comply with instructions for disposition of funds in the Accounts originated by such third party.

6. **Authority.** Notwithstanding the provisions of the “Agent Control” section of this Agreement, Agent agrees that Company will be allowed access to the Accounts. Until receipt by the Account Bank of written notice from Agent (such notice being in the form of Schedule B hereto and referred to as a “**Trigger Notice**”) and provided the Borrower is in compliance with the terms of the Account Bank’s account documentation, the Account Bank will comply only with the transfer, withdrawal and disbursement instructions of the Borrower. Upon receipt by the Account Bank of a Trigger Notice, the Borrower waives authority to withdraw any amounts from, to draw upon or otherwise exercise any authority or powers with respect to the Accounts and all amounts held therein and the Accounts shall be under the sole dominion and control of Agent. Notwithstanding the immediate effect of the Trigger Notice, Borrower and Agent acknowledge that the Account Bank may require up to two (2) business days (i.e. a day other than Saturday or Sunday when the Account Bank is open for business in Winnipeg, Manitoba) to implement the necessary changes required by the Trigger Notice and will not be liable for (a) any instructions from the Borrower that have been processed prior to receipt of a Trigger Notice or (b) irrevocable electronic funds transfers or wire transfers that are subject to cut-off times and have been processed prior to receipt of the Trigger Notice.
7. **No Duty to Inquire.** Subject to Section 13 and upon receipt by the Account Bank of a Trigger Notice, the Account Bank will not have any duty to inquire whether or not Agent is entitled to give, and has no duty to question, instructions, certificates or notices pursuant to any of the provisions of this Agreement or any other agreement. Any instructions, certificates or notices given by Agent following receipt by the Account Bank of a Trigger Notice will be conclusive authority for the Account Bank to act in accordance with the instructions, certificates or notices whether or not Agent is acting in good faith. The Account Bank is not obliged or required to monitor any requirements or obligations of Agent or the Borrower pursuant to this Agreement or any other agreement.
8. **Account Transfers.** If at any time after receipt by the Account Bank of a Trigger Notice the Account Bank terminates this Agreement, all amounts in the Accounts shall automatically and without further direction be remitted, at the Borrower’s cost and expense, by transfer solely to the account of Agent (the “**Agent Account**”) then specified by it in writing to the Account Bank.
9. **Reporting.** Account Bank will make the necessary changes to ensure duplicate copies of the Borrower’s DDA statements are mailed to the Lender directly. The Borrower hereby expressly consents to the release of this information by the Account Bank to Agent. Borrower will reimburse the Account Bank for its reasonable expenses in providing such items to Agent.
10. **Charges and Waiver of Right of Set-Off.** Borrower shall be and at all times remain liable to the Account Bank for any and all fees and service charges relating to the Accounts and chargebacks for any cheques, drafts and other payment items dishonoured or otherwise returned to the Account Bank with respect to the Accounts (all such fees, service charges and chargebacks being hereinafter referred to, collectively, as “**Charges**”). The Borrower and Agent hereby acknowledge and agree that the Account



Bank shall be entitled to recover any and all Charges from the Accounts and the Account Bank is hereby authorized to debit the Accounts at any time to recover any and all Charges; provided that the Account Bank shall first charge the Operating Account for any such Charges before charging any other Account. The Account Bank may exercise its rights of set-off, consolidation and banker's lien to the extent required to satisfy any Charges associated with the Accounts, provided, that the Account Bank shall not exercise any such rights with respect to other liabilities owed to it by the Borrower. If there are insufficient funds on deposit in the Accounts to cover any outstanding Charges, the Borrower shall promptly pay to the Account Bank the amount of such Charges upon demand by the Account Bank. If the Borrower fails to pay such amount within ten (10) days of demand by the Account Bank, Agent shall within ten (10) days of written notification from the Account Bank pay to the Account Bank the amount of such outstanding Charges received by Agent.

11. **Compliance with Court Order.** Notwithstanding any other provision contained herein, the Account Bank shall have the right to automatically freeze or debit the Accounts in accordance with any court order or notice of garnishment received by it, or any other legal requirement with which the Account Bank reasonably determines it is required to comply.
12. **Indemnity.** The Borrower shall indemnify and hold harmless the Account Bank, its employees, officers and directors from and against any and all loss, liability, cost, claim and expense incurred (including, without limitation, reasonable legal fees and expenses) by the Account Bank, its employees, officers and directors with respect to the performance of this Agreement, including, without limitation, claims that the Account Bank was not properly authorized to transfer credit balances from the Accounts to the Agent Account, except for such loss, liability, cost, claim and expense incurred as a result of gross negligence or willful misconduct of the Account Bank.
13. **Scope of Duty.** The Account Bank undertakes to perform only such duties as are expressly set forth in this Agreement and to deal with the Accounts with the degree of skill and care that the Account Bank accords to all accounts and funds maintained and held by it on behalf of its customers. Notwithstanding any other provision of this Agreement, the parties agree that the Account Bank shall not be liable for any action taken by it or any of its directors, officers or employees in accordance with this Agreement except for its or their own gross negligence or willful misconduct. In no event shall the Account Bank be liable for losses or delays resulting from *force majeure*, computer malfunctions, interruption of communication facilities or other causes beyond the Account Bank's control or for indirect or consequential damages.
14. **Termination.** The Borrower shall have no right to modify or terminate this Agreement or any account agreement relating to the Accounts without the written consent of Agent. At any time prior to receipt by the Account Bank of a Trigger Notice, the Account Bank may terminate this Agreement and/or any account agreement relating to the Accounts upon thirty (30) days prior notice to Agent and the Borrower thereof. At any time following the receipt by the Account Bank of a Trigger Notice, the Account Bank may terminate this Agreement and/or any account agreement relating to the Accounts upon

thirty (30) days prior notice to Agent thereof. The Agent may terminate this Agreement at any time. If this Agreement is terminated at any time after receipt by the Account Bank of a Trigger Notice, the Account Bank shall remit the entire balance of the Accounts as provided in Section 8 hereof save and except for the amount of any Charges owing to the Account Bank and subject to the rights of the Account Bank set out in Section 10 hereof. If this Agreement is terminated at any time prior to receipt by the Account Bank of a Trigger Notice, the Account Bank shall remit the entire balance of the Accounts to the Borrower, save and except for the amount of any Charges owing to the Account Bank and subject to the rights of the Account Bank set out in Section 10 hereof.

15. **Amendments.** No change or modification of this Agreement is binding upon the parties unless it is in writing and signed by Agent, the Borrower and the Account Bank.
16. **Successors and Assigns.** This Agreement shall be binding upon the Account Bank and its successors and assigns and enure to the benefit of Agent and its successors and assigns.
17. **Notices.** Any notices or instructions permitted or required pursuant to this Agreement shall be in writing and shall be delivered to the party for which it is intended by registered mail (postage prepaid), prepaid courier or facsimile to the address of such party indicated below, or at such other address as any party hereto may stipulate by notice to the other parties from time to time. Any notice sent by registered mail shall be deemed to be received by the party for which it is intended five (5) business days after mailing. Any notice delivered by prepaid courier shall be deemed to be received by the party for which it is intended on the date of actual delivery thereof if such delivery occurs prior to 5:00 p.m. on such business day and, otherwise, on the next following business day. Any notice sent by facsimile shall be deemed to be received by the party for which it is intended on the next business day following transmission. The addresses for notice of the parties are as follows:

Agent: SALUS CAPITAL PARTNERS LLC

197 First Avenue, Suite 250

Needham MA 02494

Attention: ● Portfolio Manager

Fax No.: ● 1-781-459-0058

Account Bank: THE BANK OF NOVA SCOTIA  
Business Service Center

P.O. Box 3700

Attention: ● Lending Services

Fax No.: ● 1-877-909-7038

Borrower: BEN MOSS JEWELLERS WESTERN CANADA LTD.

300-201 Portage Ave, Winnipeg, Manitoba

Attention: ● Chief Financial Officer


Fax No.: ● 1-204-988-0109

18. **Severability.** If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision and the remainder of this Agreement shall continue in full force and effect.
19. **Further Assurances.** The parties agree that each of them shall, upon reasonable request of the other, do, execute, acknowledge and deliver such acts, deeds and agreements as may be necessary or desirable to give effect to the terms of this Agreement.
20. **Counterparts.** This Agreement may be executed in counterparts. Each executed counterpart shall be deemed to be an original and all counterparts taken together shall constitute one and the same Agreement. Delivery of an executed signature page to this Agreement by any Person by facsimile transmission shall be as effective as delivery of a manually executed copy of this Agreement by such Person.
21. **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the Province of Manitoba and the laws of Canada applicable therein.
22. **Jurisdiction.** Without prejudice to the ability of the Account Bank and the Agent to enforce this Agreement in any other proper jurisdiction, the Borrower irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of the Province of Manitoba. To the extent permitted by applicable law, the Borrower irrevocably waives any objection (including any claim of inconvenient forum) that it may now or hereafter have to the venue of any legal proceeding arising out of or relating to this Agreement in the courts of such Province. In addition, the Borrower irrevocably waives, to the fullest extent permitted by applicable law (a) any objection which it may now or hereafter have to the laying of venue of any action, suit or proceeding brought in any court referred to in this Section 22; and (b) any claim that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

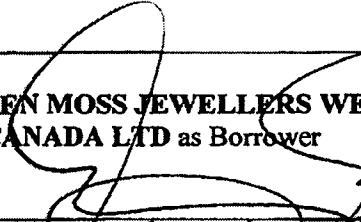
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IN WITNESS WHEREOF this Agreement has been executed by the parties hereto on the day and year first above written.

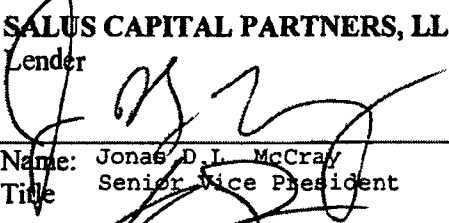

**THE BANK OF NOVA SCOTIA, as Account Bank**

Per:   
Name: Tracey Cole  
Title: Director, Commercial Banking  
Per: \_\_\_\_\_  
Name:  
Title:

**BEN MOSS JEWELLERS WESTERN CANADA LTD as Borrower**

Per:   
Name: M.R. MORNOWER  
Title: CHIEF FINANCIAL OFFICER  
Per: \_\_\_\_\_  
Name: BRENT TREPEL  
Title: PRESIDENT & C.E.O.

**SALUS CAPITAL PARTNERS, LLC as Lender**

Per:   
Name: Jonas D.L. McCray  
Title: Senior Vice President  
Per:   
Name: Kyle C. Shonak  
Title: Senior Vice President

Per: \_\_\_\_\_  
Name:  
Title:  
Per: \_\_\_\_\_  
Name:  
Title:



**SCHEDULE B**

**TRIGGER NOTICE**

**[AGENT'S LETTERHEAD]**

\_\_\_\_\_, 20\_\_

VIA FACSIMILE – (877) – 909 – 7038

Account ●

Re: Canadian Dollar Account No. \_\_\_\_\_ Maintained By ..... (“.....”)

Ladies and Gentlemen:

Reference is made to the Blocked Account Agreement, dated as of \_\_\_\_\_, 2013 between ● (the “**Account Bank**”), \_\_\_\_\_ June 17<sup>th</sup> 2013 \_\_\_\_\_ (“**Borrower**”), and \_\_\_\_\_, as Agent under the Credit Agreement (“**Agent**”) (the “**Agreement**”). All capitalized terms used in this letter without definition shall have the respective meanings specified in the Agreement.

Please be advised that an Event of Default has occurred and is continuing under the Credit Agreement. This letter shall constitute a Trigger Notice for the purpose, and within the meaning, of Section 5 of the Agreement. Accordingly upon your receipt of this letter and until we provide you with written notice to the contrary, please disregard any transfer, withdrawal, disbursement or other instructions from the Borrower and instead follow directions from us.

Thank you for your anticipated cooperation. Should you have any questions about these instructions, please contact the undersigned.

Very truly yours,

\_\_\_\_\_, as Agent

Per: \_\_\_\_\_

Name:

Title:

**DEPOSIT ACCOUNT CONTROL AGREEMENT**  
**(with Notice)**

This Deposit Account Control Agreement (this "Agreement") is made as of the 26<sup>th</sup> day of June, 2013, by and among Ben Moss Jewellers Western Canada Ltd ("Customer"), Salus Capital Partners, LLC ("Secured Party"), and the Toronto Dominion Bank ("Bank").

Customer, Secured Party, and Bank, intending to be legally bound, hereby agree as follows:

1. **Acknowledgement of Security Interest.** Bank acknowledges that Customer has granted to Secured Party, for the benefit of Secured Party, a first priority security interest in, lien upon, and pledge of the deposit accounts that have been established at Bank on behalf of and in the name of Customer and are identified on Exhibit A attached hereto (individually, an "Account" and collectively, the "Accounts") and all funds, checks, cash, items, instruments, and other things of value at any time paid, deposited, credited, or held in, payable or withdrawable from, or in transit to any Account (whether for collection, provisionally, or otherwise) and all proceeds of all of the foregoing (collectively, the "Account Collateral"). This Agreement constitutes a separate agreement with respect to each Account and is intended to perfect Secured Party's security interest in, and give "control," as defined in Section 9-104 of the Uniform Commercial Code as in effect in the State (the "UCC"), to Secured Party of, the Accounts and the Account Collateral and shall also serve as instructions regarding the operation of and procedures for the Accounts. For purposes of this Agreement, as to each Account, the "State" is the State or Commonwealth in which such Account is maintained, as indicated on Exhibit A.
2. **Account Rules.** The Accounts are subject to Bank's account agreements, disclosures, and other documents (the "Account Rules") as may be in effect from time to time. In the event of a conflict between the terms of this Agreement and the Account Rules, the terms of this Agreement shall prevail.
3. **Account Access.** Secured Party agrees that until such time as Bank actually receives written notice from Secured Party to the contrary in substantially the form attached hereto as Exhibit B (an "Exclusive Access Notice"), Customer shall be allowed full and complete access to the Accounts and the Account Collateral without Secured Party's further consent (including, without limitation, giving Bank instructions as to the withdrawal or other disposition of any funds from time to time credited to the Accounts). Effective a reasonable time following actual receipt by Bank of an Exclusive Access Notice, and until such time as Bank is notified in writing by Secured Party that such Exclusive Access Notice is withdrawn, Customer shall not be entitled to access the Accounts or the Account Collateral, and Bank shall not comply with any instructions or directions originated by Customer or otherwise permit Customer access to or control over the Accounts or the Account Collateral, including, without limitation, giving stop payment orders, presenting items for payment, or making withdrawals therefrom, and Bank agrees to comply with instructions originated by Secured Party directing disposition of the funds in the Accounts or the Account Collateral or to take such other action as shall from time to time be specified in writing by Secured Party. Customer hereby irrevocably authorizes and directs Bank to comply with any such instructions by Secured Party without notice to or further action or consent by Customer and notwithstanding any subsequent objection or contrary direction Bank may receive from Customer. Customer shall not be permitted to close any Account without the prior written consent of Secured Party. Customer agrees that Bank shall be entitled to rely, without independent investigation, on any Exclusive Access Notice. Notwithstanding the foregoing, Bank reserves the right to suspend payments to Secured Party from an Account in the event Bank reasonably believes that fraudulent or illegal activities have occurred in connection with such Account.

4. **Lockbox Arrangement.** In the event Exhibit A indicates that there is a lockbox for receipt and deposit of payments to Customer (each a "Lockbox") in place in connection with any of the Accounts, Customer and Bank acknowledge that they have entered into an agreement (the "Lockbox Agreement") that governs Bank's obligations in connection with each Lockbox. Upon the execution and delivery of this Agreement, cash, checks, and other items delivered to Bank will continue to be deposited in the applicable Account pursuant to the Lockbox Agreement.
5. **Subordination of Rights; Setoff.** Bank hereby subordinates in favor of Secured Party all existing and future rights of recoupment or setoff and banker's liens against the Accounts and the Account Collateral, except those rights of setoff and banker's liens arising in connection with (i) items deposited in the Accounts that are subsequently returned to Bank unpaid, (ii) automated clearing house ("ACH") credit entries initiated from an Account by Customer or Secured Party for which there are insufficient funds in the applicable Account on the effective date of such entries, (iii) ACH debit entries initiated from an Account by Customer or Secured Party which are returned to Bank for any reason, and (iv) any compensation and expenses owing and payable to Bank with respect to the Accounts which are assessed in accordance with Bank's Account Rules, the Lockbox Agreement, if any, and any other agreement pursuant to which Bank provides services to Customer. Customer and Secured Party understand and agree that Bank is authorized to collect any amount owing pursuant to the preceding sentence ("Chargeable Amount") by debiting any of the Accounts. Customer shall pay any Chargeable Amount immediately upon demand to the extent there are not sufficient funds in the Accounts to cover any Chargeable Amount on the day of the debit. If any Chargeable Amount has not been paid in full by Customer within fifteen (15) days after demand on Customer by Bank and there are still insufficient funds in the Accounts, then Secured Party shall pay up to the Chargeable Amount received by Secured Party to Bank under this section (i), (ii), (iii), within fifteen (15) days after receipt of written demand therefor from Bank; provided, however, that Secured Party's liability hereunder shall be limited to items deposited, ACH entries initiated, and compensation and expenses charged in the normal course of business after Bank has received an Exclusive Access Notice. If Bank is stayed from making demand upon Customer as a result of a bankruptcy or similar proceeding, then Bank shall not be required to make such demand upon Customer or wait fifteen (15) days prior to making demand on Secured Party.
6. **Account Information.** To the extent practical, Bank shall provide Secured Party with such information with respect to the Accounts and Account Collateral as Secured Party may from time to time reasonably request, including, without limitation, duplicate copies of all bank statements which are sent to Customer. Customer hereby consents to such information being provided to Secured Party.
7. **Protection and Indemnification of Bank.** Bank undertakes to perform only such duties as are expressly set forth herein. Bank shall have no obligation to determine whether any deposits, withdrawals, or transfers into or from the Account and the application thereof are in accordance with this Agreement. Bank will be fully protected in relying on any written, oral, or electronic notice or communication believed by it in good faith to be genuine and to have been signed or given by an authorized individual. Notwithstanding any other provisions of this Agreement, the parties hereto agree that Bank shall not be liable for any action taken by it in accordance with this Agreement, except for Bank's bad faith or willful misconduct. In any event, Bank shall not be liable for any special, consequential, incidental, or punitive losses, damages, or expenses (including attorneys' fees) in connection with this Agreement, even if Bank has knowledge of the possibility of such damages. Customer indemnifies Bank against, and agrees to hold Bank harmless from, any liability or claims, including court costs, reasonable attorneys' fees and other expenses that Bank may incur in connection with, or pursuant to, the Lockbox Agreement or this Agreement (including without limitation Bank's efforts to collect items made payable to Customer which are not indorsed directly by Customer), unless arising from Bank's bad faith or willful misconduct. Secured Party indemnifies Bank against and agrees to hold Bank harmless from, any liability or claims, including court costs, reasonable attorneys' fees, and other expenses that Bank may incur as a result of following any instructions or directions it receives from Secured Party with respect to the Accounts during the term of this Agreement, unless arising from Bank's bad faith or willful misconduct.
8. **Notices.** Except as otherwise provided in this Agreement, all notices permitted or required by this Agreement shall be in writing and shall be deemed to have been duly given (a) upon personal



delivery (whether by messenger, overnight delivery, telegram, or otherwise), (b) upon facsimile transmission (receipt of which has been orally confirmed by the recipient) or by tested telex or (c) five (5) Business Days after deposit, postage prepaid, in the United States mail, if sent by certified or registered mail and addressed:

In the case of notice to Customer, to:  
Ben Moss Jewellers Western Canada Ltd  
300-201 Portage Avenue  
Winnipeg, Manitoba R3B 3K6  
Attn: Chief Financial Officer  
Fax: (204) 988-0148

and in the case of notice to Bank:  
Toronto Dominion Bank  
201 Portage Avenue, Winnipeg, MB R3C 2T2  
Attn: Ruth Hapko  
Fax: 204-988-775-0576

and in the case of notice to Secured Party:  
SALUS CAPITAL PARTNERS, LLC  
197 First Avenue, Suite 250  
Needham, MA 02494  
Attn: Portfolio Mgr – [Customer Name]  
Fax: (781) 459-0058

or in accordance with such other address information as the party to receive notice may provide in writing to the other parties in accordance with the above notice provisions. Any notice given by any other method will be deemed to have been duly given upon receipt thereof. For purposes of this Agreement, “**Business Day**” shall mean a day on which Bank’s main office is open to the public for carrying on substantially all of its banking functions, but shall not include Saturdays, Sundays, or legal holidays.

9. **Termination.** Secured Party may terminate this Agreement upon prior notice to Customer and Bank. Bank may terminate this Agreement upon at least thirty (30) days’ prior notice to Customer and Secured Party. The obligations of Customer and Secured Party to Bank pursuant to paragraphs 5 and 7 shall survive the termination of this Agreement.
10. **Captions.** Any paragraph or other captions are inserted for convenience only and shall not be considered a part of or affect the interpretation or construction of any of the provisions of this Agreement.
11. **Entire Agreement; Amendments.** This Agreement contains the entire agreement of the parties with respect to its subject matter, and no oral or prior written statements or representations not incorporated herein shall have any force or effect. This Agreement may not be modified without the consent of all of the parties to this Agreement. This Agreement shall be binding upon and inure to the benefit of Bank, Secured Party, and Customer and their respective legal representatives, successors, and assigns.
12. **Waiver.** The failure of any party at any time to require performance by any other party of any provision of this Agreement shall not affect in any way the right to require performance at any subsequent time. Any waiver by any party of the breach of any provision of this Agreement shall be in writing and shall not operate as or be construed to be a waiver of any other breach of the provision or of any breach of any other provision of this Agreement. No course of dealing or performance shall be deemed to amend or otherwise affect any provision of this Agreement.
13. **Severability.** If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal, or unenforceable, that determination shall not affect any other provision of this Agreement, and each such other provision shall be construed and enforced as if the invalid, illegal, or unenforceable provision were not contained herein.
14. **Governing Law; Jury Trial Waiver.** The validity, construction, interpretation, and enforcement of this Agreement, and the rights of the parties hereto, in connection with each Account shall be determined under, governed by, and construed in accordance with the internal laws of the State, without regard to the principles of conflicts of law. Bank’s jurisdiction for purposes of Section 9-304 of the UCC shall be the State. EACH OF THE PARTIES WAIVES ANY AND ALL RIGHTS IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR

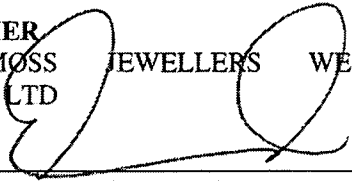
RELATED TO THIS AGREEMENT, REGARDLESS OF THE NATURE OF THE CLAIM OR FORM OF THE ACTION.

15. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. Delivery of an executed counterpart of this Agreement by email or fax shall be equally as effective as delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by email or fax also shall deliver an original executed counterpart of this Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first shown above.

[Signatures to follow]

CUSTOMER  
BEN MOSS JEWELLERS WESTERN  
CANADA LTD

By:   
(Authorized Signer)

MERVIN R. MORNOWED  
(Printed Name)

Title CHIEF FINANCIAL OFFICER

[Signatures of Secured Party and Bank to follow]

**SECURED PARTY**

SALUS CAPITAL PARTNERS, LLC

By:

  
\_\_\_\_\_  
(Authorized Signer)

James D. L. McCly  
\_\_\_\_\_  
(Printed Name)

Title Senior Vice President

[Signature of Bank to follow]

TORONTO DOMINION BANK

By: [Signature] A2619  
(Authorized Signer)

Ratt Hapka  
(Printed Name)

Title: Small Business Advisor

EXHIBIT A

List of Accounts

| Account No. | Account Title                          | Lockbox (Y/N) | If Lockbox, List P.O. Box | State (OH, IL, IN, KY, MI, MO, or PA) |
|-------------|----------------------------------------|---------------|---------------------------|---------------------------------------|
| 0329847     | BEN MOSS JEWELLERS WESTERN CANADA LTD. | N             |                           |                                       |
|             |                                        |               |                           |                                       |
|             |                                        |               |                           |                                       |
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|             |                                        |               |                           |                                       |

**EXHIBIT B**

[to be placed on Secured Party's letterhead]

**EXCLUSIVE ACCESS NOTICE**

\_\_\_\_\_, 20\_\_\_\_

Bank [Address]

Re: Deposit Account Control Agreement dated as of \_\_\_\_\_, 20\_\_\_\_ (the "Agreement") by and among \_\_\_\_\_ ("Secured Party"), \_\_\_\_\_ ("Customer"), and Bank

Ladies and Gentlemen:

The undersigned Secured Party hereby assumes exclusive control of the Accounts and Account Collateral, as those terms are defined in the Agreement. This constitutes an Exclusive Access Notice as referred to in paragraph 3 of the Agreement, a copy of which is attached hereto.

[Secured Party]

By:

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_

Printed Name

Title:

\_\_\_\_\_  
\_\_\_\_\_