

PRIVATE & CONFIDENTIAL

ZEIFMAN PARTNERS INC.

1 Toronto Street
Suite 910
Toronto, Ontario
M5C 2V6

Attention: Allan Rutman

Dear Sirs:

**Re: Zeifman Partners Inc. (the “Proposal Trustee”), in its capacity as
Proposal Trustee of Bogdon & Gross Furniture Company Limited (“B&G”)**

We have requested that the Proposal Trustee provide us (the “**Interested Party**”) with the Confidential Information (defined below) to assist in determining for ourselves the desirability and feasibility of proceeding with the Proposed Transaction (defined below) pursuant and subject to the terms and conditions set out by the Proposal Trustee and only for the Permitted Use (as set out in Section 4 below).

It is acknowledged that, but for delivery of this letter, the Proposal Trustee will not provide the Interested Party with the Confidential Information.

Upon acceptance of this letter by the Proposal Trustee and, subject to the provisions hereof, the Proposal Trustee shall provide or cause to be provided to the Interested Party such Confidential Information as the Proposal Trustee in the exercise of its unfettered discretion may determine.

For the purpose of this letter agreement:

- (a) “**Confidential Information**” means any and all financial statements, information, data, compilations, analysis, studies, notes, summaries, documentation, or other documents or information and every part thereof, whether in electronic form or otherwise, which now or hereafter comes into the possession or under the control of the Interested Party or its Representatives including, without limitation, that relating to the Corporation’s business organization, business operations and systems, Know-how, business plans, Research Information, Customer Information, suppliers, financial structure, Financial Information, Supplied Information, Marketing Information, assets, employees, employee relationships, Software and other information of any kind relating to any of the foregoing and includes all data, compilations, analysis and other documents and information prepared by or on behalf of the Interested Party or by any of the Representatives based, in whole or in part, on any of

the foregoing. For greater certainty, Confidential Information includes not only written information, but information transferred orally, visually, or through any electronic, facsimile or computer-related communication, or by any other means;

- (b) “**Corporation**” means Bogdon & Gross Furniture Company Limited;
- (c) “**Customer/Member Information**” includes, but is not limited to, any information pertaining to the Corporation’s customers/members, prospective customers/members, customer/member base and markets, prospective customer/member base and markets, including customer/member or prospective customer/member names and addresses and the names of employees of customers/members or prospective customers/members with whom the Corporation is in contact in its business, or proposes to contact, customer/member or prospective customer/member requirements and the Corporation contracts with its customers/members or prospective customers/members, including details as to pricing, supply of services, and royalty and/or commission rates;
- (d) “**Financial Information**” includes, but is not limited to, any and all information pertaining to the Corporation’s actual or anticipated sales, income, projections, profit, profitability, pricing, expenses, salaries and wages;
- (e) “**Know-how**” includes, but is not limited to, the accumulated skills, experience, knowledge, patents, intellectual property, information, data, patterns, designs, engineering specifications, schematics and other information with respect to the design, production and provision of the products and/or services offered by the Corporation’s business or proposed business and of the Software related thereto;
- (f) “**Marketing Information**” includes, but is not limited to, information relating to the Corporation’s marketing programs, plans, strategies and proposed future products, services, advertising and promotions;
- (g) “**Permitted Use**” shall have the meaning set forth in Section 4 below;
- (h) “**Person**” shall be broadly interpreted to include, without limitation, any individual, corporation, limited liability corporation, company, group, partnership, limited liability partnership or other entity;
- (i) “**Proposed Transaction**” means the proposed purchase of certain assets of the Corporation by the Interested Party and the sale of such assets to the Interested Party by the Proposal Trustee;

- (j) “**Representatives**” means, collectively, each of the directors, officers, employees, agents and other representatives of the Interested Party and the Corporation including, without limitation, their respective lawyers, accountants, consultants and financial and professional advisors;
- (k) “**Research Information**” includes, but is not limited to, information pertaining to any research, development, investigation, study analysis, experiment or test carried on or proposed to be carried on by the Corporation or on their behalf;
- (l) “**Software**” includes, but is not limited to, all methods, programs, techniques and other information and materials relating to the handling or treatment of data by computers and all other necessary information utilized in order to provide the services offered by the Corporation’s business or proposed business and all documentation thereto, and includes all computer programs, including HTML, JAVA, UNIX, LINUX, GNU, C++, and other internet oriented computer programs, systems software and application programs, and all related manuals, documentation and materials relating to the systems software and application programs; and
- (m) “**Supplied Information**” includes, but is not limited to, all business information, computer software and technology which is proprietary to any other person doing business with the Corporation and which is made available to the Corporation under conditions of confidentiality.

At the request of the Proposal Trustee, and for good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Interested Party covenants and agrees with the Proposal Trustee as follows:

1. **Deemed Confidential Property:** As between the Proposal Trustee and the Interested Party, the Confidential Information, and any part thereof, is and shall at all times be deemed to be the confidential property and constitute valuable trade secrets of the Corporation, whether or not, but for this paragraph, the same would otherwise be considered confidential and/or trade secrets and whether or not it is marked or otherwise expressed on its face to be confidential.
2. **Ownership:** The Confidential Information is and shall be deemed to be owned solely by the Corporation and the right to maintain confidential the Confidential Information constitutes an exclusive proprietary right of the Corporation which the Proposal Trustee is entitled to protect. The Interested Party does not and shall be deemed not to have any right to or proprietary interest in the Confidential Information. All of the Confidential Information which is disclosed to or otherwise comes into the possession or under the control of the Interested Party shall, subject to paragraph 5 below, be received and held by the Interested Party in trust solely for the Proposal Trustee notwithstanding the Interested Party’s right to use it for the Permitted Purpose.

3. **Permitted Use:** The Confidential Information shall only be used directly by the Interested Party and its Representatives for the purpose of determining the desirability and feasibility of proceeding with the Proposed Transaction. Except as otherwise provided for herein, the Confidential Information will be kept strictly confidential by the Interested Party, whether or not such Confidential Information is marked or otherwise expressed on its face to be confidential. Other than as permitted herein, the Interested Party will not, directly or indirectly, without the prior written consent of the Proposal Trustee (which consent may be arbitrarily withheld) disclose, publish, reproduce or otherwise disseminate or communicate the Confidential Information, nor will it permit, cause or acquiesce in such disclosure or other dissemination or communication of the Confidential Information by the Representatives of the Interested Party or by any other person, all in any manner whatsoever, in whole or in part.

The Interested Party agrees to restrict the disclosure, dissemination or other communication of the Confidential Information solely to such of the Interested Party's Representatives who need to know the Confidential Information for the Permitted Purpose and who are informed in writing by the Interested Party of the ownership and strict confidential nature of the Confidential Information and who agree in writing with the Interested Party to be bound by the terms of this letter.

4. **Disclosure List and Responsibility for Representatives:** The Interested Party shall maintain a current listing of each of its Representatives to whom any of the Confidential Information has been disclosed or otherwise disseminated or communicated and on each and every request of the Proposal Trustee, the Interested Party shall without delay deliver to the Proposal Trustee a complete and accurate copy of such list. The Interested Party shall similarly deliver on request, the business address and telephone number of any or all persons set out on the said list.

The Interested Party shall be responsible and liable to the Proposal Trustee and the Corporation for any and all acts or omissions of each of its Representatives which if done or omitted directly by the Interested Party would be a breach of the provisions of this letter.

The Interested Party shall safeguard the Confidential Information from disclosure or other dissemination or communication to any person other than as expressly permitted herein.

5. **Exceptions to Prohibited Use:** The obligations and limitations imposed on the Interested Party and its Representatives hereunder shall not apply to any Confidential Information: (i) which is or becomes generally available to the public other than as a result of its disclosure or other dissemination or communication by the Interested Party or its Representatives; or (ii) which becomes available to the Interested Party or its Representatives on a non-

confidential basis from a source other than the Proposal Trustee or its representatives, provided that such source is not then bound by a confidentiality agreement with the Proposal Trustee or otherwise prohibited from transmitting the Confidential Information to the Interested Party or its Representatives by contractual, legal or fiduciary obligation.

In addition, the obligations and restrictions imposed on the Interested Party and its Representatives hereunder shall not extend to prohibit the Interested Party from discussing the Proposed Transaction with and disclosing any of the Confidential Information to: (i) any other person who has signed a confidentiality agreement with the Proposal Trustee in substantially the form of the agreement constituted by this letter regarding the Proposed Transaction; and (ii) a Court of competent jurisdiction and/or any governmental or regulatory body in Canada having jurisdiction over the Proposal Trustee or over the Interested Party in connection with its participation in the Proposed Transaction, provided that the disclosure, dissemination or other communication of any of the Confidential Information to such governmental or regulatory body is made on a confidential basis and such confidential basis is either provided for by applicable law or recognized in writing by the relevant body.

Notwithstanding the foregoing provisions of this paragraph 5, in the event that the Interested Party or its Representatives are required by law or governmental action to disclose any of the Confidential Information, the Interested Party and/or its Representatives will deliver to the Proposal Trustee prompt prior written notification of such requirement(s) so that the Proposal Trustee may seek an appropriate protective order and/or waive compliance by the Interested Party or its Representatives with the provisions of this letter. If, failing the obtaining of a protective order or the delivery of such a waiver, the Interested Party is, in the written opinion of its legal counsel, compelled to disclose, disseminate or otherwise communicate the Confidential Information, the Interested Party may disclose, disseminate, or otherwise communicate the Confidential Information, but only to the extent so compelled, without liability hereunder.

6. **Return of Information:** If the Interested Party decides not to proceed with the Proposed Transaction, the Interested Party will promptly inform the Proposal Trustee of its decision. In that case, or at such time as the Interested Party is requested to do so by the Proposal Trustee, or if the Proposal Trustee informs you that it is not desirous of proceeding with the Proposed Transaction with the Interested Party, the Interested Party and its Representatives will (i) immediately return or cause to be returned to the Proposal Trustee any and all Confidential Information or, if the Proposal Trustee advises the Interested Party that the Interested Party does not have to return the Confidential Information, certify in writing to the Proposal Trustee and the Corporation that the Interested Party and its Representatives have destroyed all such Confidential Information and (ii) not retain any copies or other reproductions or extracts thereof. Notwithstanding the return or destruction of the Confidential Information, the Interested Party and its

representatives will continue to be bound by their obligations of confidentiality and other obligations as set forth in this letter agreement.

7. **No Liability for Information:** At the time(s) any of the Confidential Information is delivered to the Interested Party, the Proposal Trustee will attempt to include in such Confidential Information such materials which the Proposal Trustee considers to be reliable and relevant for the Permitted Purpose; however, the Proposal Trustee shall not incur any liability to the Interested Party, and the Interested Party hereby waives any right to claim any liability of the Proposal Trustee or its Representatives in connection with, or arising from, the Confidential Information and the use thereof by the Interested Party or its Representatives.

The Interested Party acknowledges and agrees for itself and its Representatives that neither the Proposal Trustee nor any of its Representatives in providing the Confidential Information has or will be taken to have made either expressly or impliedly any representations or warranties as to the accuracy or completeness of the Confidential Information and the Interested Party confirms that it is not relying on any representations or warranties of the Proposal Trustee or its Representatives in making use of the Confidential Information.

8. **Due Diligence:** The Interested Party agrees that it will be responsible for its own due diligence investigations and will be responsible for any and all costs, monetary or otherwise, incurred by the Interested Party or its Representatives in connection with its due diligence investigations or other review of a Proposed Transaction, and that the Proposal Trustee and the Corporation and their respective Representatives assume no responsibility for reimbursement or payment of any such costs.
9. **Indemnity:** The Interested Party shall be responsible for any breach of this letter agreement by the Interested Party or its Representatives and the Interested Party hereby unconditionally indemnifies and shall forever save harmless the Proposal Trustee and the Corporation and each of their respective Representatives from and against any and all losses, damages, liabilities (whether actual, contingent or otherwise), proceedings, costs and expenses including, without limitation, legal fees (on a substantial indemnity basis), which the Proposal Trustee or its Representatives may suffer, incur or sustain in connection with or as a result of a breach by the Interested Party or any of its Representatives of any of the provisions contained in this letter.

All of the provisions contained herein are reasonable in the circumstances and valid and the Interested Party hereby waives all defences, rights of set off, equities and rights to and against the strict enforcement thereof by the Proposal Trustee and its Representatives.

10. **Continuity of Agreement:** The prohibitions, limitations and obligations of the Interested Party herein contained shall continue in full force and effect

notwithstanding the Interested Party ceasing to proceed with the Proposed Transaction and will survive any termination or cancellation of its involvement, if any, in the Proposed Transaction.

11. **Use of Information Post Involvement:** The Interested Party shall not, at any time after it ceases to proceed with or be involved in the Proposed Transaction and except as otherwise expressly provided for herein: (i) use any of the Confidential Information in furtherance of the business of the Interested Party or the business of any other person; (ii) interfere in any way with any contractual or other business relationship of the Corporation; (iii) disclose, disseminate or otherwise communicate the Confidential Information or any part thereof to any person or utilize the Confidential Information in any way which is adverse to the Corporation; or (iv) directly or indirectly solicit for employment any person who is now employed by the Corporation, unless the Corporation otherwise agree in writing prior to such solicitation for employment.

12. **Right to Enjoin:** It is acknowledged that the provisions of this letter are essential for the protection of the Proposal Trustee and, in the event of the non-performance of any provisions hereof in strict accordance with their specific terms or any breach of any provisions of this letter, the same would cause immediate and irreparable harm and damage to the Proposal Trustee for which monetary relief would be inadequate or impossible to ascertain. The Interested Party agrees that upon any breach or threatened breach of the provisions hereof, the Proposal Trustee shall be entitled to obtain from any court of competent jurisdiction, interim and permanent injunctive relief or other appropriate form of equitable relief to effectively enforce the provisions hereof, and an accounting of all profits and benefits which may have been or which may be derived both directly or indirectly, as a direct or indirect result of such breach by the Interested Party or any of its Representatives who have committed or who have threatened to commit such breach, which rights and remedies shall be cumulative and in addition to any other rights or remedies to which the Proposal Trustee may be entitled.

No failure or delay by the Proposal Trustee in exercising or taking steps to enforce any of its rights or entitlements under the provisions of this letter shall operate as a waiver thereof, unless such waiver is in writing and signed by the Proposal Trustee, nor shall any single or partial exercise thereof preclude any other or future exercise of any other right or entitlement of the Proposal Trustee hereunder.

13. **Notices:** Any notice desired, contemplated or required by this letter to be given shall be delivered by hand or facsimile to:
 - (i) the Proposal Trustee at:

1 Toronto Street
Suite 910
Toronto, Ontario
M5C 2V6

Attention: Allan Rutman

Telephone No.: (416) 256-4005
Facsimile No.: (416) 256-4001

(ii) the Interested Party at:

[INSERT]

Telephone No.:
Facsimile No.:

14. **Applicable Law:** The provisions of this letter shall be governed by and construed and enforced exclusively in accordance with the laws of Ontario and the federal laws of Canada applicable therein.

The Interested Party hereby confirms its agreement and acceptance of the provisions of the letter by signing and returning same to the Proposal Trustee, whereupon this letter will constitute the binding agreement between the Interested Party and the Proposal Trustee with respect to the subject matter thereof.

Yours very truly,

[INTERESTED PARTY NAME]

Per: _____
Name:
Title: Authorized Signing Officer

Per: _____
Name:
Title: Authorized Signing Officer

I/we have authority to bind the corporation.

Accepted and agreed to with effect as of the date set out above.

**ZEIFMAN PARTNERS INC., solely in its
capacity as Proposal Trustee of Bogdon &
Gross Furniture Company Limited, and
not in its personal capacity**

Per: _____
Name: Allan Rutman
Title: Authorized Signing Officer

I have authority to bind the Corporation.