

150 York Street  
Suite 1600  
Toronto, ON M5H 3S5  
Canada

Office 416.497.0150  
Fax 416.496.3839

[www.farberfinancial.com](http://www.farberfinancial.com)

## TIME SENSITIVE OPPORTUNITY

### INVITATION FOR OFFERS TO PURCHASE THE ASSETS OF

**Crate Marine Sales Limited, F. S. Crate & Sons Limited,  
1330732 Ontario Limited, 1328559 Ontario Limited, 1282648 Ontario  
Limited, 1382415 Ontario Ltd., and 1382416 Ontario Ltd.**  
(collectively "Crates")

#### OPPORTUNITY OVERVIEW

**Crates' main operation is as a marina operator from owned lands in Keswick, Ontario. Crate also has other marina and related facilities that operate from leased premises in Ontario and Quebec.**

On December 8, 2014, A. Farber & Partners Inc. was appointed Receiver (the "Receiver") of Crates by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court"). The Receiver's mandate includes selling the business and assets (the "Property") of Crates.

The Receiver has received a stalking horse offer (the "Stalking Horse Offer") for estimated total consideration of \$25,951,784 for Crates' right, title and interest in substantially all of the Property. The Stalking Horse Offer has been approved by Order of the Court (the "Sales Process Order") to serve as the baseline bid and, if it receives final approval from the Court, is scheduled to close by March 31, 2015. As mandated by the Sales Process Order, the Receiver is conducting a Court-approved sales process (the "Sales Process") under sales terms (the "Sales Process Terms") to seek a Superior Bid by the offer deadline of 5 p.m. (Toronto time) on March 18, 2015. To qualify as a Superior Bid under the Sales Process Terms, a competing offer must, among other things, be an all cash offer for consideration at least \$500,000 higher than \$25,951,784; i.e., for cash consideration of at least \$26,451,784.

#### THE BUSINESS

Crate Marine operates marinas in:

- i) Keswick, Ontario
  - a. 500 slips
  - b. 30 acres of waterfront property on Lake Simcoe
- ii) Willow Beach, Ontario 130 slips from leased premises
- iii) Lagoon City (Brechin), Ontario 277 slips from leased premises where the lease expires April 30, 2015

Crate Marine also operated a boat sales and service centre in St. Paul-Ile-aux-Noix, Quebec, near Lake Champlain, and a sales office at the Port Credit Marina in Mississauga, Ontario.

For more information on Crates Marine please visit: [www.crates.com](http://www.crates.com) (all information on this site was prepared and posted by Crates personnel prior to the Receiver's appointment).

## SALES PROCESS

Crates' Property subject to the Sales Process includes, but is not limited to, its right, title and interest in the following:

- Accounts receivable
- Inventory of boats and parts
- Vehicles and trailers
- Intellectual property
- Claims and choses in action
- Land and buildings
- Docks
- Trademark & website
- Customer list

The Sales Process is intended to solicit Superior Bids to the Stalking Horse Offer. As noted above, a Superior Bid would have to be for cash consideration of at least \$26,451,784. In addition, a Superior Bid must satisfy other requirements, as set out in the Sales Process Terms, including that it be substantially in the form of the Stalking Horse Offer.

## BID DEADLINE

Pursuant to the Sales Process Order and Sales Process Terms, all offers for the purchase of Crates' right, title and interest in the Property must be submitted to the Receiver by no later than **5:00 p.m. (Toronto time) on the 18<sup>th</sup> of March, 2015** (the "**Bid Deadline**") at the office of the Receiver.

The Sales Process Terms also require, among other things, that a deposit equal to at least 5% of the aggregate purchase price under the subject bid be paid to the Receiver in trust on or before the Bid Deadline by way of certified cheque, bank draft or wire transfer.

If one or more Superior Bids (as defined in the Sales Process Terms) are received by the Bid Deadline, an auction will be held at 10:00 AM (Toronto time) on March 23<sup>rd</sup>, 2015 at the offices of the Receiver. A Court hearing to seek approval of the winning bid agreement would then be sought by April 1<sup>st</sup>, 2015, with closing to follow by April 8<sup>th</sup>, 2015.

## PURSUING THIS OPPORTUNITY

Parties interested in acquiring Crates' right, title and interest in the Property will be required to sign a confidentiality agreement prior to being granted access to the transaction data room. Enquiries for potential purchaser qualification and receipt of a confidentiality agreement should be made to the Receiver to the attention of:

Peter Crawley, MBA, CPA, CA, CIRP  
Tel: 416-496-3507  
Email: [pcrawley@farberfinancial.com](mailto:pcrawley@farberfinancial.com)

Interested parties may also visit the Receiver's website at [www.farberfinancial.com](http://www.farberfinancial.com) and click on the "Crate Marine Sales Limited et. al." link under "Insolvency Engagements" for information and documents regarding this opportunity, including the Sales Process Order, the Sales Process Terms and the Stalking Horse Offer. Interested parties should continue to liaise with the Receiver to ensure they are familiar with the Sales Process Terms.

This information sheet has been prepared for the convenience of Prospective Bidders, who are referred to the Sales Process Order and Sales Process Terms for the complete terms and conditions governing the Sales Process.

February 18, 2015