



TIME SENSITIVE OPPORTUNITY

INVITATION FOR OFFERS 55 ELM STREET/650 BAY STREET, TORONTO (the “Real Property”)

A. Farber & Partners Inc., in its capacity as Court-appointed Receiver (the “**Receiver**”) of 2220277 Ontario Inc (“**222**”), is offering for sale on an “as-is, where-is” basis, the right, title and interest of 222 in and to the Real Property under a sale process that the Ontario Superior Court of Justice approved on November 3, 2017 (the “**Sale Approval Order**”). The Sale Approval Order includes a Court-approved stalking horse bid of \$12,000,000 (the “**Stalking Horse Bid**”) which the Receiver will accept and present to the Court for approval if a higher bid, as defined in the sale process, is not received during the sales process.

The Receiver invites offers for the Real Property substantially in the form of, and for at least \$150,000 more than, the Stalking Horse Bid.

Nature of the Business

The Real Property is one building located on the southwest corner of Bay and Elm Streets in Toronto, Ontario and occupies the entire lot of +/- 2,054 sq. ft. It is **not** designated as a heritage site

The Real Property is subject to three leases:

1. The ground floor hosts a hotel lobby and the balance is leased to a restaurant operator operating as the Food Society. The restaurant lease commenced April 1, 2017, for a 5-year term. The Receiver notes that the lease includes access to an outdoor patio situated on adjacent properties. The Receiver is not aware of any contractual rights for 222 to be able to lease the patio space.
2. The hotel lobby and second and third floors are leased to a boutique hotel operator managing a 22-room hotel operating as bE SixFifty Hotel. The Receiver notes that the hotel operator is a related party to 222. The hotel lease commenced July 27, 2016, for a 5-year term. The hotel suffered significant flood damage in March 2016, so the rooms were refinished and the hotel recommenced operating in December 2016. The bE SixFifty Hotel website <http://www.besixfifty.com/> includes photos of the interior and exterior of the building and describes the hotel as:

“bE Sixfifty Hotel is located in the heart of downtown Toronto. A beautiful heritage style building dating back to the late 1800’s. Keeping with tradition, the exterior of the original building has been preserved and maintained whereas the Hotel’s interior has been completely transformed. Compact yet ultra chic and modern rooms with sexy accessories, luxurious linens and bedding. The latest in technology is also provided for you during your stay”

3. There is a third lease also related to the hotel which the Receiver understands is not in force.

Offers for the Real Property can be considered with or without the leases as the Receiver has Court approval to terminate the leases if necessary to close a transaction. Only the Real Property of 222 is being offered for sale on an “as-is, where-is” basis.

Sale Process

The Receiver is authorized to conduct the sale process of 222’s Real Property on an “as-is, where-is” via a stalking horse bid process. A copy of the November 3, 2017 Sale Approval Order, including the sale process timelines, and the \$12,000,000 Stalking Horse Bid, including terms and conditions, are available by selecting 2220277 Ontario Inc. (650 Bay) at <https://farbergroup.com/engagements/>.

The deadline for submission of offers, including the required 10% deposit, is 5:00 p.m. (Toronto time) on Thursday, December 14, 2017 at:

A. Farber & Partners Inc.
150 York Street, Suite 1600,
Toronto, Ontario, M5H 3S5
Attention: John Hendriks, CPA, CA, CIRP, LIT

Data Room and Confidentiality Agreement

Prospective Purchasers can access an electronic data room to view available information (due diligence materials) that the Receiver will provide upon receipt of an executed non-disclosure agreement, a copy of which is attached for your reference.

For additional information or to submit a signed NDA, please contact John Hendriks at 416 496 3701 or by email at jhendriks@farbergroup.com.