

SALE PROCESS

Purpose

1. The within sale process (the “**Sale Process**”) will be conducted by A. Farber & Partners Inc. in its capacity as court-appointed receiver (the “**Receiver**”) of the assets, undertakings and property of 2220277 Ontario Inc. (the “**Debtor**”) in consultation with the Debtor’s stakeholders as the Receiver deems appropriate. The purpose of the Sale Process is to identify one or more purchasers of the real property municipally known as 650 Bay Street and 55 Elm Street, Toronto, Ontario (the “**Real Property**”) of the Debtor.
2. Unless otherwise indicated herein any event that occurs on a day that is not a business day shall be deemed to occur on the next business day.

Sale Process Procedures

3. The Receiver will compile a list of prospective investors and purchasers (together with any other party expressing an interest in the Real Property, the “**Interested Parties**”). The Receiver will make best efforts to canvass the interest of all Interested Parties.
4. The Sale Process will be conducted by the Receiver and will provide Interested Parties with the opportunity to submit offers to purchase the Real Property.
5. The Receiver shall cause a notice of the Sale Process to be published in one or more of The Globe and Mail (National Edition), National Post and Toronto Star, as well as any hotel industry publications as the Receiver may deem appropriate.
6. The Receiver will post information in respect of the opportunity on its website.
7. The Receiver will distribute to Interested Parties an interest solicitation letter which will provide an overview of this opportunity and the Real Property. A form of confidentiality agreement (“**CA**”) will be attached to the interest solicitation letter that Interested Parties will be required to sign in order to gain access to confidential information and to commence performing due diligence (each Interested Party who signs a CA being referred to herein as, a “**Prospective Offeror**”).

8. The Receiver will provide to each Prospective Offeror (i) a Confidential Information Memorandum, (ii) access to an electronic data room (which will include certain financial and other information with respect to the Debtor), and (iii) a proposed form of agreement of purchase and sale (the “**APS**”). The APS will contemplate the purchase and sale of the Real Property on an “as is, where is” basis with no representations or warranties.
9. The Receiver will facilitate diligence by Prospective Offerors, including arranging site visits.
10. The Receiver shall have the right to limit any Prospective Offeror's access to confidential information. This will include limiting access, if deemed appropriate, to parties who the Receiver reasonably believes are not likely to be serious offerors.

Offers

11. Offers may be submitted to the Receiver at any time.
12. All offers from Prospective Offerors should meet the following criteria:
 - (a) provide the identity of each person or entity (including its shareholders) that is sponsoring or participating in the offer and the complete terms of such participation and evidence of corporate authority;
 - (b) submitted in writing and include a blackline of the offer to the APS, reflecting any proposed changes;
 - (c) accompanied by a cash deposit (the “**Deposit**”) in the form of wire transfer or bank draft payable to the Receiver which is equal to at least 10% of the aggregate purchase price payable under the offer;
 - (d) in the form of a binding offer capable of acceptance, irrevocable until Court approval of an agreement of purchase and sale in respect of the Real Property;
 - (e) not contain any contingency relating to due diligence or financing or any other material conditions precedent to the offeror’s obligation to complete the transaction; and

- (f) contain written evidence of a commitment for financing or other evidence of the offeror's financial ability to consummate the sale.
- 13. Upon receipt of an offer the Receiver may, in its discretion, accept such offer (subject to paragraph 14 below), terminate the Sale Process and take such steps as are necessary to finalize and complete an agreement of purchase and sale.
- 14. If the Receiver determines that an offer is acceptable, it will provide a copy of the offer to Zaherali Visram's legal counsel, provided that the amount of the offer is less than Visram's claim. Mr. Visram will have 72 hours from delivery of the offer to his counsel to submit a competing bid (including a credit bid) in respect of the Real Property. The Receiver may, in its discretion, accept Mr. Visram's competing bid and promptly notify the other offeror of its decision.
- 15. The Receiver shall be under no obligation to accept the highest or best offer and the acceptance of any offer shall be entirely in the discretion of the Receiver. The Receiver may accept any offer that doesn't meet all of the criteria set out in paragraph 12 above.
- 16. Any acceptance of an offer by the Receiver is subject to Court approval. Once an offer is accepted, the Receiver will seek Court approval of the agreement of purchase and sale and obtain a vesting order.

Other Terms

- 17. The Sale Process shall commence upon Court approval of the Sale Process and run for a period of not more than ninety (90) days. The Receiver may, in its discretion, extend the Sale Process by an additional ninety (90) days.
- 18. Notwithstanding anything else contained herein, if it becomes evident to the Receiver that no acceptable offers will be received, the Receiver may terminate the Sale Process.
- 19. At any time during the Sale Process, the Receiver may, upon reasonable notice to the service list, apply to the Court for advice and directions with respect to the discharge of its powers and duties hereunder.

20. The Deposit will be refunded in the event an offer, as submitted, is not accepted by the Receiver.
21. The sale of the Real Property is strictly on an “as is, where is” basis.
22. No party shall be paid any break, termination or similar fee. For greater certainty, all Interested Parties, Prospective Offerors and successful offerors shall be responsible for their own fees, including legal fees, brokerage and realtor fees, and costs relating to any transaction.